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Report to the Honourable Rick Orman
Minister of Energy
Province of Alberta

on

REVIEW OF OBJECTIVES AND IMPLEMENTATION OF THE ELECTRIC ENERGY MARKETING ACT

Electric Energy Marketing Act Review Panel
July 31, 1992

ELECTRIC ENERGY MARKETING ACT
REVIEW PANEL

July 31, 1992

Honourable Rick Orman
Minister of Energy
228 Legislature Building
Edmonton, Alberta

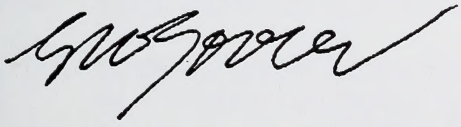
Dear Sir:

We are pleased to submit our report entitled "Review of Objectives and Implementation of the Electric Energy Marketing Act." The report contains the Panel's unanimous conclusions and recommendations in response to the following terms of reference:

- Are the original objectives established for EEMA still valid for Alberta in the 1990s?
- If the original objectives are still valid, is the current implementation of EEMA the most effective and fair way to achieve EEMA's objectives?
- If the original objectives and/or implementation are not valid, what are the alternatives to EEMA?

The Panel observes that Albertans benefit from the current electric system which includes a mix of investor-owned and municipally owned utilities. Although there are opportunities for improvement which should be considered, as noted in the report, the Alberta Interconnected System has served Alberta well through changing economic circumstances.

Yours sincerely,



G.W. Govier
for the EEMA Review Panel

EEMA Review Panel

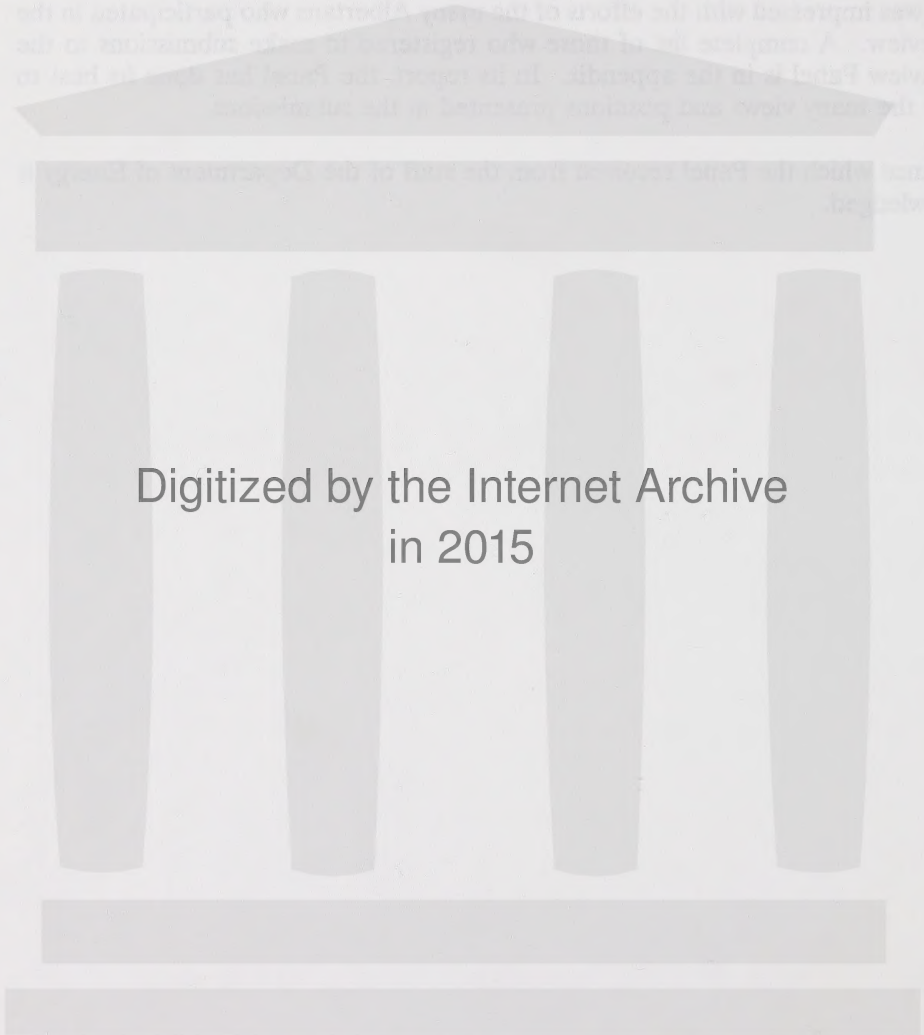
G.W. Govier (Chairman)
C.N. Lund (Vice-Chairman)
L.K. Haney
W.B. Lockhart
F. Lovsin
R.L. Mansell
L.G. Young

Acknowledgements

The Panel acknowledges the assistance of all those who filed submissions and aided the Panel in its understanding of the suitability of the objectives and the effectiveness of the implementation of the Electric Energy Marketing Act.

The Panel was impressed with the efforts of the many Albertans who participated in the EEMA Review. A complete list of those who registered to make submissions to the EEMA Review Panel is in the appendix. In its report, the Panel has done its best to summarize the many views and positions presented in the submissions.

The assistance which the Panel received from the staff of the Department of Energy is also acknowledged.



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Review of Objectives and Implementation
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Abbreviations/Acronyms

AAMDC	Alberta Association of Municipal Districts and Counties
ACC	Alberta Cogenerators Council
AEC	Alberta Energy Company Limited
AIPA	Alberta Irrigation Projects Association
AIS	Alberta Interconnected System
Alberta Power	Alberta Power Limited
ANC	Alberta Newsprint Company
ANG	Alberta Natural Gas Company
CanadianOxy	CanadianOxy Chemicals Limited
Canfor	Canadian Forest Products Limited
DSM	Demand Side Management
EEMA	Refers to Electric Energy Marketing Act; Electric Energy Marketing Program and Electric Energy Marketing Agency.
ERCB	Energy Resources Conservation Board
EUPC	Electric Utility Planning Council
Federation of REAs	Alberta Federation of REAs Limited
IPCAA	Industrial Power Consumers Association of Alberta
IPL	Interprovincial Pipe Line, Incorporated
kW	Kilowatt
kWh	Kilowatt hours
MW	Megawatt

NADC	Northern Alberta Development Council
OMWUA	Old Man Water Users Association
PUB	Public Utilities Board
REA	Rural Electrification Association
TransAlta	TransAlta Utilities Corporation
WWINC	Western Wind Industry Network of Canada

Definitions

Alberta Interconnected System	Those plants and loads that are interconnected by a continuous transmission system. The majority of the Alberta electric facilities are interconnected.
Cogeneration	The joint production of electricity and thermal energy from the same input of fuel.
Downstream costs	The costs of TransAlta, Alberta Power and Edmonton Power which are not pooled in the EEMA process and consist primarily of distribution costs.
Load	Total electricity demand for service on a utility system at any given time.
Load factor	The ratio of electric energy actually consumed during a year, or any given period, to the energy that would be consumed if the maximum demand existed continuously throughout the designated period.
Rate base	The costs of plant, property and equipment which the PUB allows the utilities to recover through consumer rates.
Service area	Territory in which a utility company has the right to supply or make available its utility service.
Transfer payments	The payments made under the EEMA process.
Upstream costs	The costs of TransAlta, Alberta Power and Edmonton Power which are pooled in the EEMA process and consist primarily of generation and transmission costs.

SUMMARY

1. The EEMA Review Panel was appointed by the Honourable Rick Orman, Minister of Energy, to review certain aspects of the Electric Energy Marketing Act (EEMA), as defined in the terms of reference quoted in Section 1 (page 17) of this report.

2. In response to the public notice regarding its review, the Panel received close to 900 registrations to participate. Of these registrants, over 550 made written submissions, of which some 150 were supported by their authors at public hearings called by the Panel.

3. Views expressed in the submissions varied significantly, depending largely on the utility service area within which those making the submissions resided or were established.

4. Most of those in the Alberta Power Limited service area favoured retention of the EEMA program on the grounds that it was fair to residential customers and that it was essential to balanced economic development. Without it, the costs of electric energy in Alberta Power's service area would increase dramatically. They also pointed out the benefits to the entire province of new development in Alberta Power's service area.

5. Edmonton Power also urged that the program be continued without change. It suggested that the factors responsible for the program's creation are expected to increase in importance during the 1990s.

6. Those in the TransAlta Utilities Corporation service area recommended modifications to reduce the amount of transfer payments from their area to the other service areas, thereby reducing the cost of electricity within their area. They argued that it was unfair for them, representing some 60 per cent of the population of the province, to have to pay the cost of a program which benefited only the other 40 per cent of the population. TransAlta and others proposed a phase-out of the program, while retaining a modification of it for existing and currently approved facilities.

7. After studying the existing situation, the submissions, and the various proposals, the Panel decided that while the basic program should be retained, modifications were needed, as discussed in Section 4 of this report.

8. The Panel recommends that:

   (1) The EEMA pricing formula should be adjusted so that a utility would receive transfers payments only when its PUB-approved generation and transmission costs exceed the average of such costs by 6 per cent or more. The transfers, when made, would be limited to those necessary to reduce the utilities' generation and transmission costs to 6 per cent above the average.

(2) All provincial and non-rebated federal income taxes related to generation, transmission and distribution activities of the investor-owned utilities should be pooled and fully equalized through the EEMA process.

(3) All costs and revenues related to electricity imports to, and exports from, the AIS should be pooled and fully equalized through the EEMA process.

(4) The Government of Alberta should continue to request that the federal government remove the capping of the federal income tax rebate since it discriminates against Albertans.

(5) Costs imposed upon any of the utilities by new, province-wide, government-imposed programs, such as those for environmental purposes, and costs of other programs at the discretion of the Minister of Energy, should be pooled and fully equalized through the EEMA process.

(6) The Department of Energy should review and determine the merits of the following suggestions made to fine tune the EEMA process: placing Cities Compensation under the jurisdiction of the PUB; moving to one EEMA consumer group; and re-evaluating the EEMA adjustment process.

(7) The Department of Energy, in its review of the regulation of the electric energy industry, should give consideration to the observations of the Panel outlined in Section 5 of this report.

(8) The EEMA Act should be amended as necessary to give authority for the aforementioned recommendations.

(9) Alberta's electric utilities should place greater emphasis on reducing retail rate disparities among the utilities when setting their electricity rates.

(10) The appropriateness and functioning of EEMA should be reviewed as warranted by substantive changes in the regulatory system, in the structure of the industry or in the related government policies, but at least within the next 10 years.

1. INTRODUCTION

1.1 BACKGROUND

Alberta's Electric Utilities

Alberta's electric industry consists of a mix of investor-owned and municipally owned utilities, as shown in Table 1.1. It differs from most other provinces in Canada which have single, publicly owned electric utilities providing generation and transmission. In Alberta, the entire system of generation, transmission and distribution facilities is known as the Alberta Interconnected System (AIS). Four utilities generate electricity: Alberta Power, Edmonton Power, the City of Medicine Hat and TransAlta. These four utilities are fully integrated since they generate electricity and provide bulk transmission and distribution service to final consumers. The remaining utilities purchase electricity wholesale from TransAlta and provide distribution services to final consumers.

Service Areas

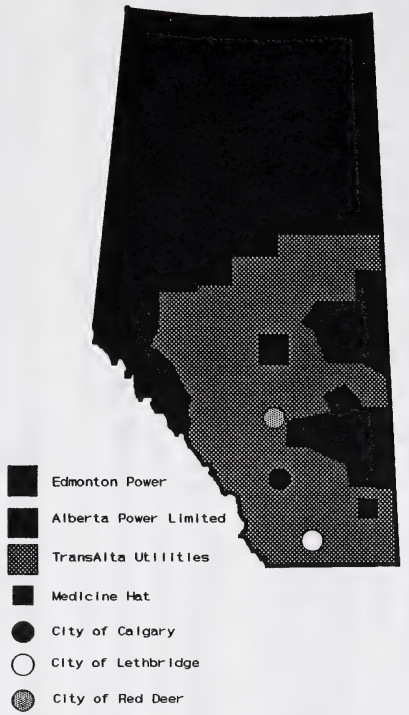
The utilities each have a right and an obligation to provide electric service to consumers in their respective service areas. The service areas are shown in Table 1.1. The service areas of TransAlta and Alberta Power cover most of the province. At present, the Energy Resources Conservation Board (ERCB) is responsible for settling service area boundary disputes, though the historical development of these service areas followed no formal process. Service areas developed primarily because towns and villages (many of which already had generation and distribution facilities) wished to be connected to a transmission system. This prompted the utility company with the closest transmission facilities to provide service. In many cases, the utility then purchased the town's generation and distribution facilities and assumed control of all electric responsibilities in the surrounding area.

Regulatory Framework

Regulation of Alberta's electric industry is required largely because of the non-competitive market structure that results from each utility having the sole right to provide electricity in its service area. The basic objective of electricity regulation is to ensure that safe and reliable electricity is supplied in an environmentally responsible manner at lowest cost recovered from consumers in a fair and equitable manner. In other words, regulation establishes the broadly defined performance and pricing standards of the electric industry. Alberta's municipally owned utilities, including those which are distribution utilities, have legislated autonomy in setting electricity rates through their respective city councils.

ALBERTA ELECTRIC UTILITY INDUSTRY - 1991

GENERATING UTILITIES	*Type*	*AIS[1] Generating Capacity[2]*	*%*	*Peak Load (1991)*	*%*
TransAlta Utilities	Investor-owned	4472 MW[3]	62	3840 MW	64
Alberta Power	Investor-owned	1340 MW[3]	18	1081 MW	18
Edmonton Power	Municipal	1299 MW[4]	18	973 MW	16
Medicine Hat	Municipal	160 MW	2	91 MW	2
Total Generating Utilities		7271 MW		5985 MW	
DISTRIBUTING[5] UTILITIES				(Included in TransAlta's Peak Load)	
City of Calgary	Municipal	-		1050 MW	
City of Lethbridge	Municipal	-		92 MW	
City of Red Deer	Municipal	-		83 MW	



1. Alberta Interconnected System
2. Industry generates approximately 723 MW for its own use which is not included under the utilities' capacity.
3. Includes second Sheerness unit.
4. Excludes the second Genesee unit now under construction.
5. Ponoka, Fort Macleod, Cardston, and Municipality of Crowsnest Pass also own distribution systems. Wholesale electricity is purchased from TransAlta Utilities.

Electricity Policy Branch
Alberta Department of Energy

Table 1.1

For the purpose of regulating the addition of new facilities, the AIS is treated as a single system. The ERCB evaluates applications for new facilities and recommends when plants are needed, and which plants should be built if competing applications are filed. While facility planning is done individually, and to some extent competitively among the utilities, load forecasting is done jointly through the Electric Utility Planning Council (EUPC).

The Public Utilities Board (PUB) is responsible for setting consumer rates of investor-owned utilities and for approving costs pooled under the EEMA program. The PUB gives intervenors an opportunity to scrutinize proposed rate increases and make recommendations.

Origins of the Electric Energy Marketing Act

EEMA came into effect in September 1982 with the main objective of equalizing the wholesale (generation and transmission) costs of electricity province-wide. The EEMA program followed an extensive two-year provincial government review of the structure, organization and direction of Alberta's electric utility industry. The review responded to a number of concerns, including expectations of large growth in electricity demand and rate disparities between similar electricity consumers served by different utilities.

EEMA Process

The EEMA process covers three of the four generating utilities in Alberta: TransAlta, Alberta Power and Edmonton Power. Medicine Hat opted to be excluded from the process. The equalization of generation and transmission costs is achieved by each participating utility selling its electricity to EEMA based on its own generation and transmission costs, and then purchasing the electricity back from EEMA at the *average* generation and transmission costs. The responsibility for overseeing the EEMA process was transferred to the Department of Energy after the Electric Energy Marketing Agency was dissolved in June 1991.

Link Between EEMA and the Rate Setting Process

The PUB approves the retail electricity rates of the investor-owned utilities based on the costs from EEMA, the costs of their distribution systems, municipal taxes and return on distribution system investment. The municipally owned distribution utilities, which include the cities of Calgary, Lethbridge and Red Deer, purchase electricity from TransAlta based on wholesale rates that are similar to the average cost from EEMA. Municipal governments are free to set the retail rates for their own customers. They usually set these rates based on the costs from EEMA, distribution costs, municipal taxes, and contributions to equity and profits.

Electricity Rates in Alberta

Electricity rates in Alberta have increased considerably in recent years, particularly for TransAlta's and Alberta Power's consumers.[1] Although EEMA has received much of the blame for these increases, there are a number of other significant factors, including:

- Rate increases due to growth in electricity demand, which translated into large additions to generation capacity.
- Forecasts of sharply rising energy demand which did not reflect the economic slowdown of the 1980s, but resulted in carrying costs for surplus generating capacity.
- The cancellation of the provincial income tax rebate in 1990, which increased the electricity bills of the investor-owned utilities by approximately 5 per cent and those of the municipally owned utilities by approximately 3.5 per cent.
- The addition of the 7 per cent Goods and Services Tax.
- The capping of the federal income tax rebate by the Government of Canada.

The increases in residential and commercial electricity bills in Alberta in recent years are shown graphically in Figures 1.1 and 1.2. In Figures 1.3 through 1.6, electricity bills in Alberta are compared with bills in other parts of Canada. Alberta electricity bills compare favourably in all customer categories. Figure 1.6 shows that one of Alberta's competitive advantages is supplying electricity to large industrial customers, since Alberta rates tend to be among the least expensive in the country.[2]

It is likely that Alberta rates will continue to compare favourably to rates outside the province. TransAlta and Alberta Power forecasts indicate that rates in Alberta will, on average, decrease by 0.8 per cent per year in real terms to the year 2000.[3]

The effects of the EEMA process on the monthly residential electricity bills of the major utilities in Alberta are shown in Figure 1.7, which compares residential bills 1 month prior to the introduction of EEMA with residential bills almost 10 years later. Of the three major utilities, TransAlta's residential bills have increased the most while Alberta Power's have increased the least.

---

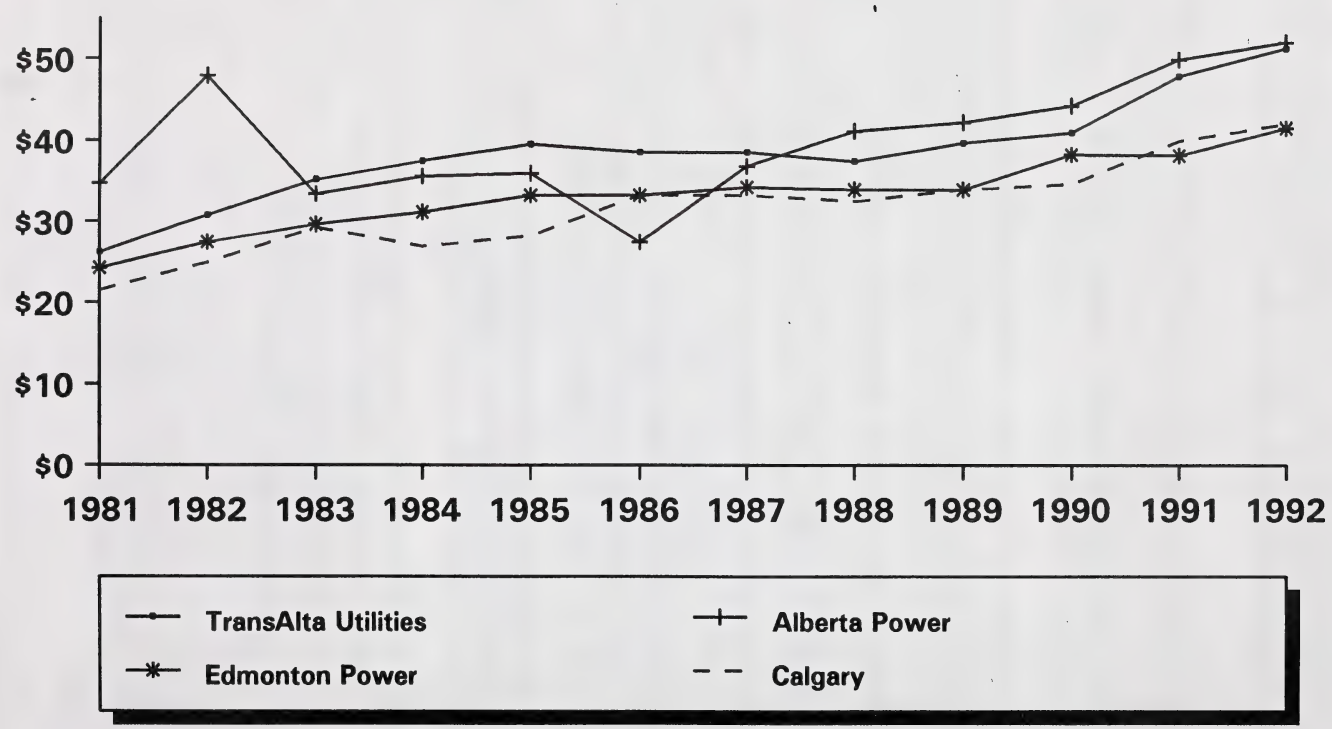
1 Edmonton Power scheduled annual increases in the late 1980s, even when its overall costs did not increase, in order to achieve rate stability when the first Genesee unit was included in rate base. This allowed Edmonton to schedule lower increases than the investor-owned utilities in recent years.

2 This comparison is only based on published rates. Some provinces offer incentive rates which are not published.

3 Source: Alberta Power's and TransAlta's Long Term EEMA Forecasts, which was presented to the EEMA Review Panel.

Historical Comparison of Residential Electricity Bills in Alberta

April 1981 to April 1992



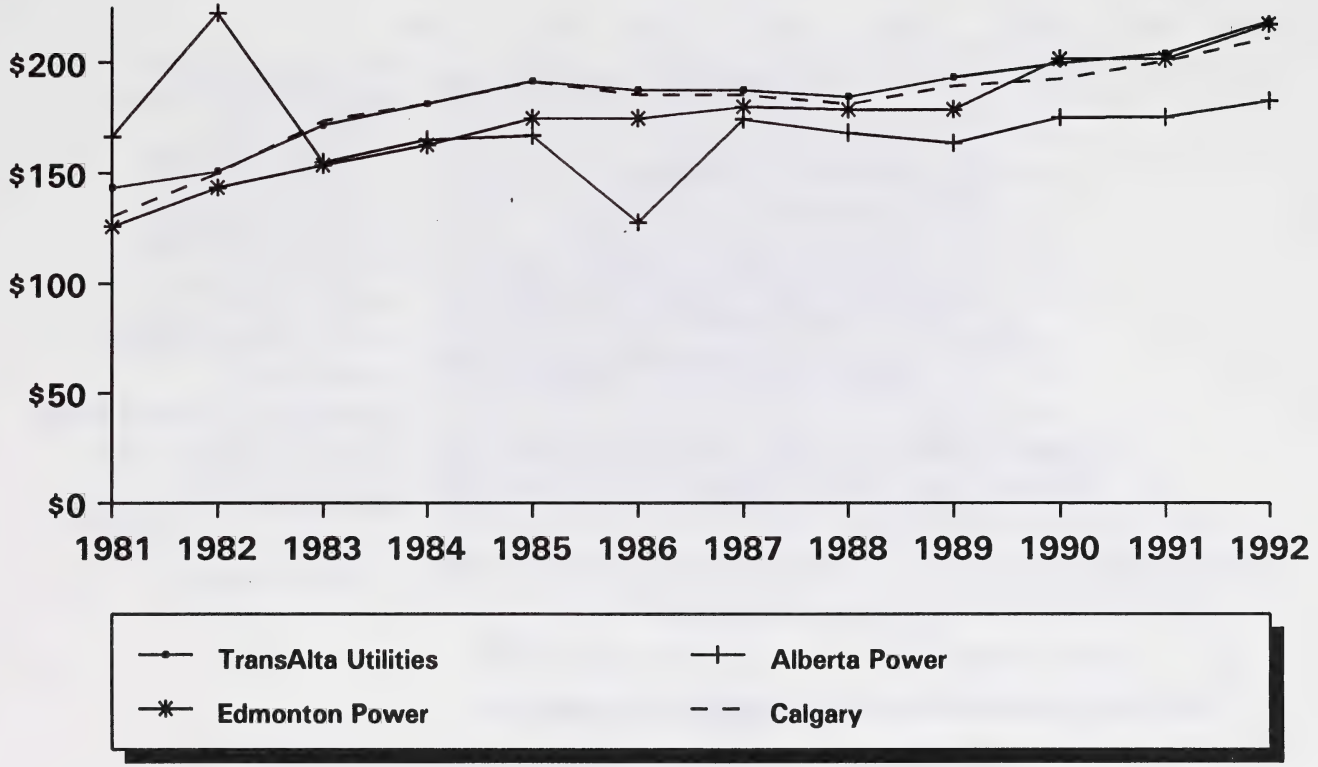
600 kilowatt hours per month
Includes all applicable taxes, rebates and discounts except the GST.

Electricity Policy Branch
Alberta Department of Energy

Figure 1.1

Historical Comparison of Commerical Electricity Bills in Alberta

April 1981 to April 1992

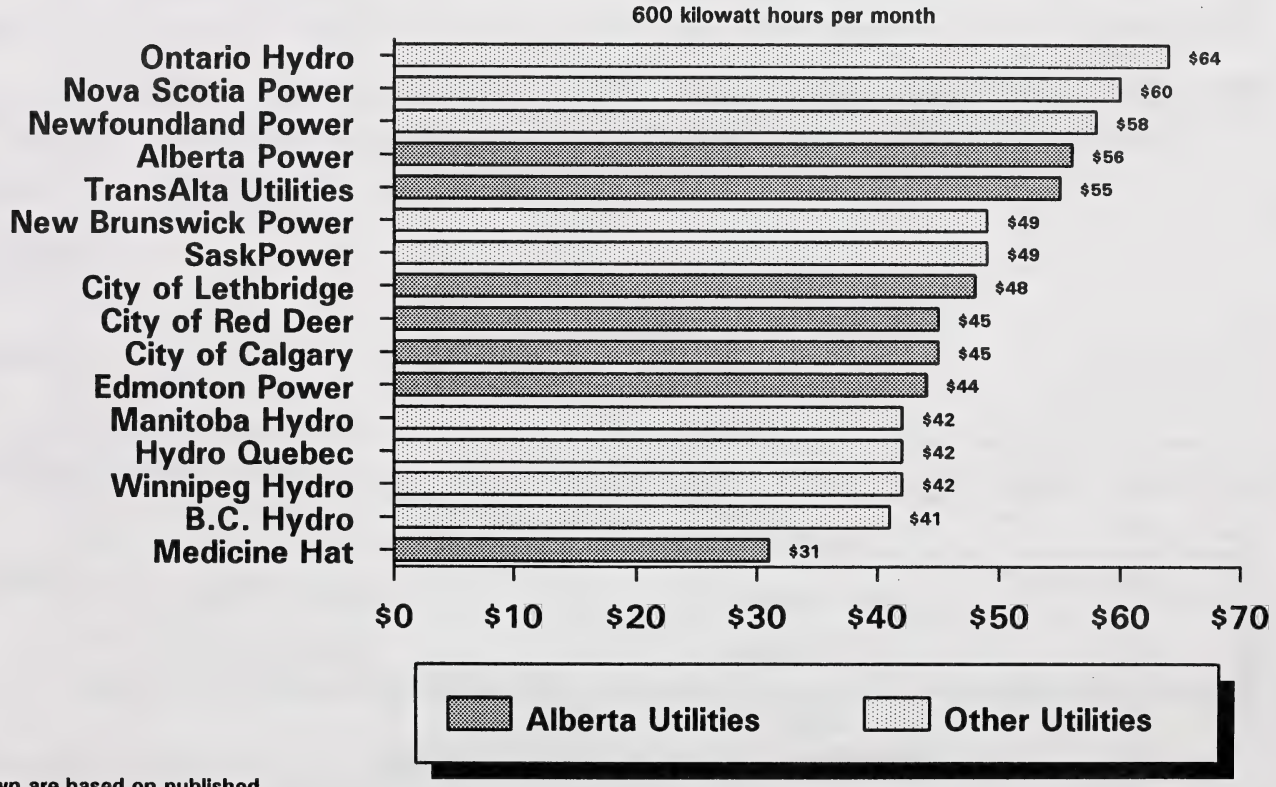


10 kilowatts, 30% Load Factor, 90% Power Factor
Includes all applicable taxes, rebates and discounts except the GST.

Electricity Policy Branch
Alberta Department of Energy

Figure 1.2

Comparison of Monthly Residential Electricity Bills Across Canada
April 1, 1992

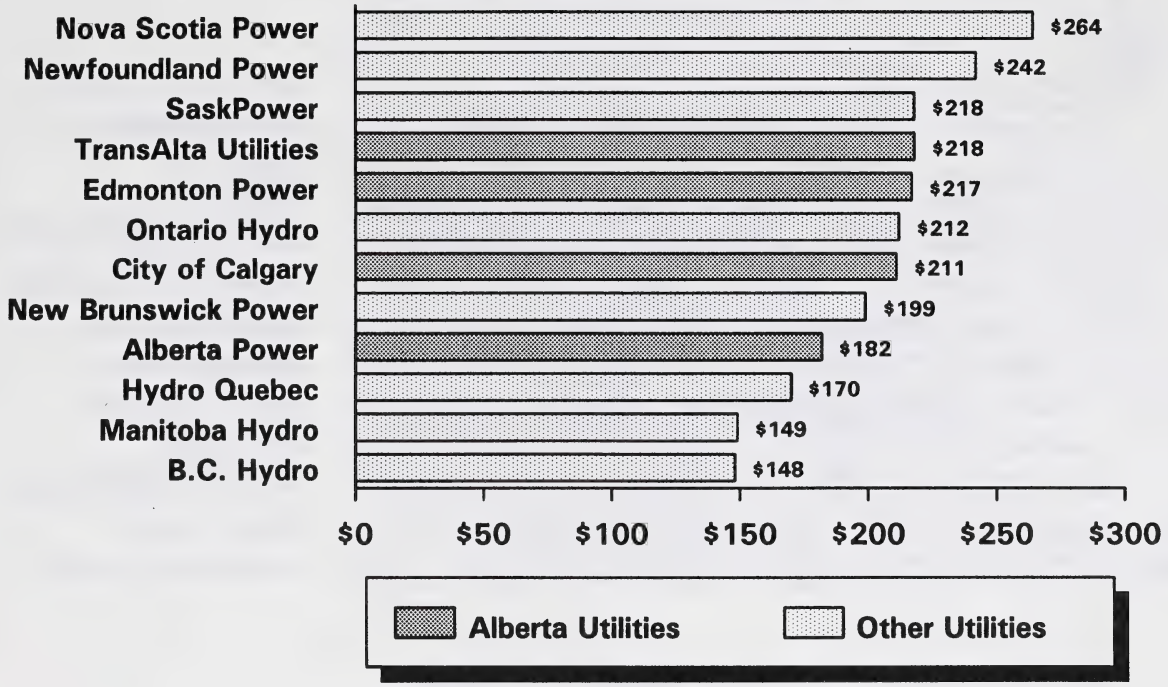


Bills shown are based on published rates and include all applicable taxes, rebates and discounts including the GST.

Electricity Policy Branch
Alberta Department of Energy

Figure 1.3

Comparison of Monthly Commercial Electricity Bills Across Canada
April 1, 1992



10 kW Demand
30% Load Factor
90% Power Factor

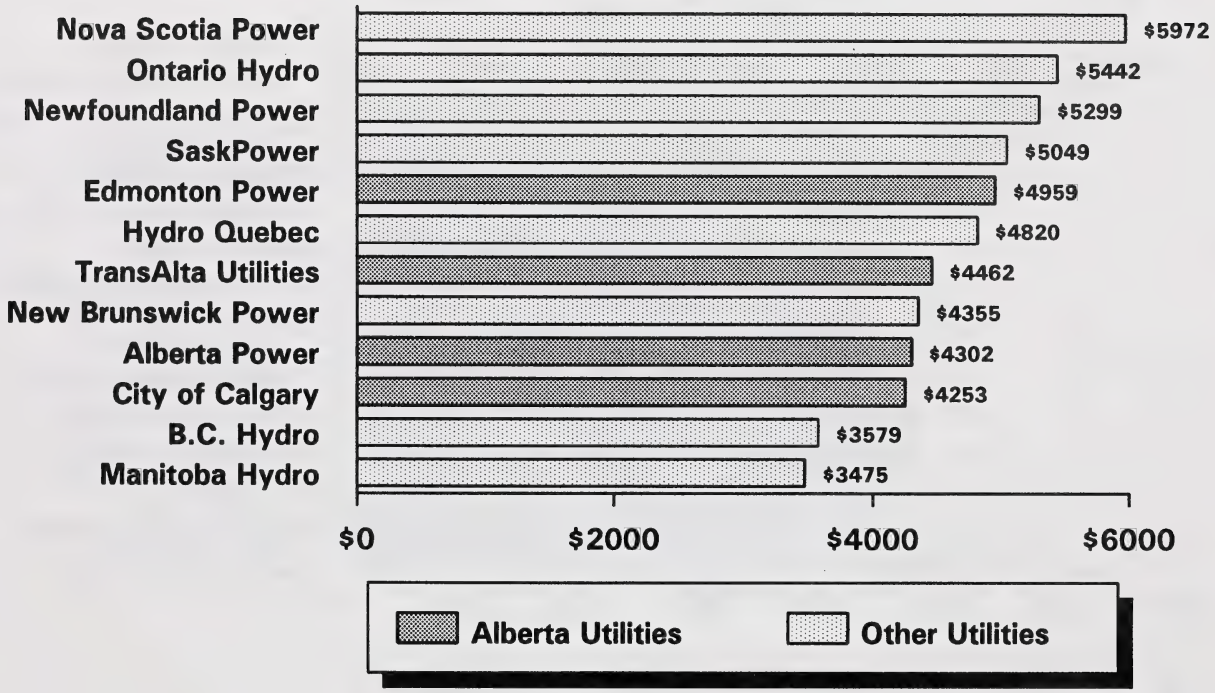
Bills shown are based on published rates and include all applicable taxes, rebates and discounts except the GST.

Electricity Policy Branch
Alberta Department of Energy

Figure 1.4

Comparison of Monthly Small Industrial Electricity Bills Across Canada

April 1, 1992



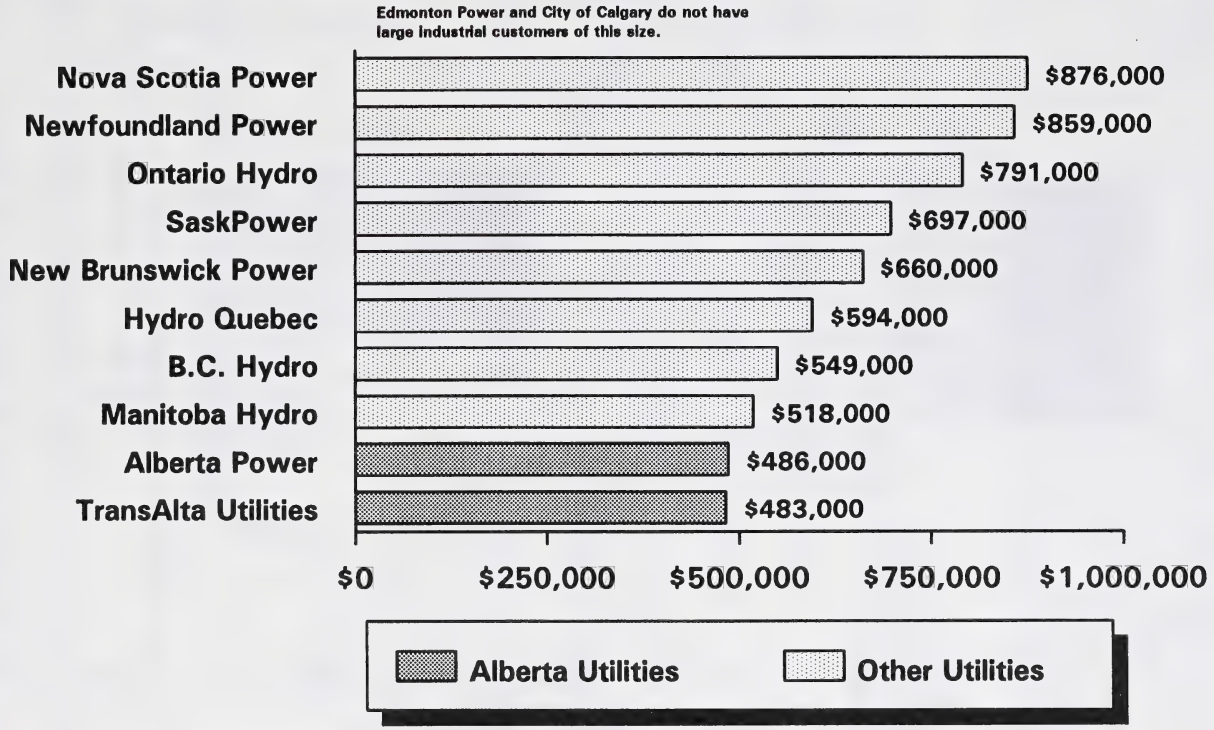
200 kW Demand
50% Load Factor
90% Power Factor

Bills shown are based on published rates and include all applicable taxes, rebates and discounts except the GST.

Electricity Policy Branch
Alberta Department of Energy

Figure 1.5

Comparison of Monthly Large Industrial Electricity Bills Across Canada
April 1, 1992



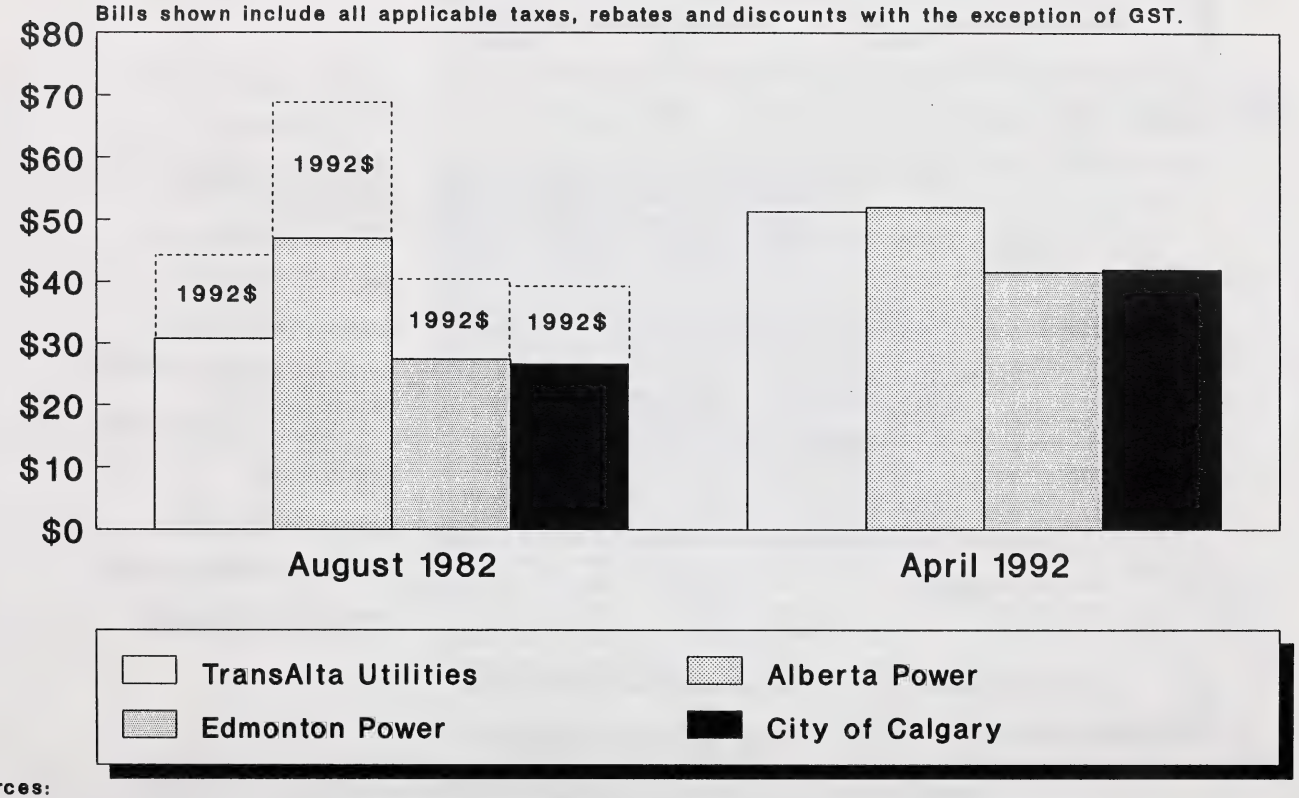
25 MW Demand
90% Load Factor
90% Power Factor

Bills shown are based on published rates and include all applicable taxes, rebates and discounts except the GST.

Electricity Policy Branch
Alberta Department of Energy

Figure 1.6

Monthly Residential Electricity Bills
Pre-EEMA and Post-EEMA
600 kWh per month



Sources:
1. "Review of the Electric Energy Marketing Program" (Govier Consulting Services Ltd. and DataMetrics Ltd.)
2. "Historical Comparison of Retail Electricity Bills in Alberta" (Electric Retail Bill Comparisons Technical Committee)

Electricity Policy Branch
Alberta Department of Energy

Figure 1.7

1.2 APPOINTMENT OF THE REVIEW PANEL

Increasing concerns have been expressed about EEMA, particularly about whether the process is working in the best overall interests of Albertans. In response, the Honourable Rick Orman, Minister of Energy, met with municipal leaders, senior officials of Alberta's utility companies and other interested parties to obtain their views on EEMA, the need for a review and the terms of reference for such a review. Subsequently, Cabinet authorized the review. On March 2, 1992, the Minister of Energy announced that a seven member Review Panel would be formed to conduct the Review. Members of the Review Panel were:

Dr. G.W. Govier, O.C., P.Eng	Calgary	Former Chairman, ERCB; former Dean of Engineering, University of Alberta
Mr. L.K. Haney	Picture Butte	Farmer
Mr. W.B. Lockhart	Youngstown area	Rancher
Mr. F. Lovsin	Peace River	Businessman
Mr. C.N. Lund, P.Eng	Edmonton	Former Senior Vice-President of Syncrude Canada Limited
Dr. R.L. Mansell	Calgary	Professor of Economics, University of Calgary
Mr. L.G. Young	Edmonton	Executive Director of Edmonton Space and Science Centre; former MLA and cabinet minister

1.3 TERMS OF REFERENCE OF REVIEW PANEL

The Panel was requested to conduct a public review of EEMA and its related policies and processes, and to determine the following:

- Are the original objectives established for EEMA still valid for Alberta in the 1990s?
- If the original objectives are still valid, is the current implementation of EEMA the most effective and fair way to achieve EEMA's objectives?

- If the original objectives and/or implementation are not valid, what are the alternatives to EEMA?

The Panel invited registrations and written submissions from interested Alberta organizations and individuals. Almost 900 registrations to participate in the EEMA Review were addressed to the Panel; these are listed in Appendix 1. Of these registrants, over 550 made written submissions. Public hearings were held in the cities of Lethbridge, Grande Prairie, Edmonton, Fort McMurray and Calgary during the months of May and June 1992. The hearings were of an informal nature -- no transcripts were taken and the Panel was not served by legal counsel. The Panel was assisted by staff from the Department of Energy.

2. THE ORIGINAL OBJECTIVES OF EEMA AND THEIR SUITABILITY FOR THE 1990S.

At the time of the introduction of the bill to establish the Electric Energy Marketing Agency, five key goals for the new Agency were outlined in a news release:[4]

- To establish a fair and equal wholesale electric power rate for Albertans.
- To assure the most efficient use of power sources throughout Alberta.
- To reduce the rate of increase to Alberta consumers in their electric energy costs.
- To allow the purchase of power from outside Alberta.
- To allow the continued operation of utilities in the most efficient manner.

The new agency was also expected to "...contribute to the Government's objective of balanced economic growth..." and "...require minimal administration...".

2.1 VIEWS OF THOSE MAKING SUBMISSIONS

2.1.1 ALBERTA POWER SERVICE AREA

Alberta Power

Alberta Power submitted that EEMA was established to create a "fair and equal wholesale rate" for all customers across the province. Customers pay the same wholesale cost for generation and transmission, which accounts for about 80 per cent of total electricity costs. As a result, Alberta Power contended, geographic location is not the primary factor in determining the electricity costs paid by customers. Accordingly, new industries should find all parts of the province equally attractive for new locations as far as electricity costs are concerned.

Alberta Power stated that EEMA's focus is on wholesale cost, not retail rates. It pointed out that since distribution costs are not included in the cost-averaging process, EEMA's wholesale cost means final electricity bills to customers of different utilities will be much closer, but need not be identical.

Alberta Power also stated that the EEMA concept reflects the basis on which the generation and transmission facilities are planned and operated -- a focus on total Alberta requirements. It attempts to deliver the benefits of one-system planning and operation, while retaining the benefits of providing service to customers through a variety of independent utilities.

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[4] News release on the Government of Alberta's proposed Electric Energy Marketing Agency, November 16, 1981.

Alberta Power indicated that when EEMA was established, some of its customers were paying rates up to 50 per cent higher than those paid by similar TransAlta customers. It maintained that there is still a need for EEMA since its customers would have to pay electricity rates that would be, on average, approximately one-third higher than current rates if costs were not pooled. It explained that in many areas of the province, service area boundaries separating utilities are road allowances. Therefore, without EEMA, electricity rates for a farmer on one side of the road could be 40 per cent higher than for his neighbour on the other side of the road.

Cities and Towns

A number of cities and towns in Alberta Power's service area, including the City of Grande Prairie and the Town of Spirit River, stated that the original objectives will continue to be valid through the 1990s.

The City of Fort McMurray submitted that EEMA was established with the objective of providing basic, common wholesale electricity rates for all of Alberta. It stated that one of the major intents of this objective was to encourage major resource development in northern Alberta. It contended that during the last 10 years this objective has been accomplished.

Industrial Enterprises

The majority of the submissions from industrial enterprises in Alberta Power's service area stated that the original objectives of EEMA were suitable for the 1990s.

Canadian Forest Products Limited (Canfor) argued that the original policy objectives for EEMA have been met, especially in reducing the wide disparity between electricity rates, providing benefits to all Albertans from electricity export, and stimulating balanced growth. It contended that the original need is still valid for the future.

Both Daishowa Canada Company Limited and Procter & Gamble Cellulose stated that upon reviewing the intended purpose of the Act, each concluded that the two main goals are to reduce regional rate disparities and provide for a relatively open market for the distribution of electric energy in Alberta.

Suncor Incorporated submitted that EEMA's sole objective has been to reduce regional rate disparities -- in effect, to treat the whole province as having equal rights to essential services. It stated that abolishing EEMA would disregard the general belief that equally affordable energy should be available to customers throughout the province.

Others

Most of the individuals and associations in Alberta Power's service area suggested that fairness dictates that rate disparities be eliminated so that all Albertans, regardless of location, are treated equally. They also argued that this is important because it provides a "level playing field" regarding the attraction of industry, and that because all Albertans share the benefits of development in Alberta Power's service area, all residents should share in the cost of equalization. Further, it was stressed that any major increase in their electricity costs, such as that which would occur with the elimination of EEMA, would seriously threaten the viability of the local economies. They claimed that higher input costs for already fragile industries, like farming, would result and higher local taxes would be required to cover the increased operating costs for local infrastructure.

A number of submissions argued that the objectives of EEMA should address the rural-urban disparities in retail electricity rates that still exist. It was suggested that the costs of distribution facilities should be included in the EEMA pooling process in order to ensure equalized retail electricity rates.

The Drumheller and District Chamber of Commerce submitted that the principle in creating EEMA was the same as that which governs the provision of education, health care, highways and similar publicly required services throughout Canada. It stated that the principle continues to apply and is critical in allowing many Albertans to function competitively in the economic community.

The Fort Chipewyan Advisory Council (Improvement District No. 18 North) stated that the original need for EEMA still exists and will continue to exist as long as there is economic development and increased power demands in northern Alberta.

The Northern Alberta Development Council (NADC) contended that the primary objective of reducing rate disparities across Alberta is still vital to the north. The secondary objectives of assuring the most efficient use of power sources, reducing the rate of increase to Alberta consumers in electric energy costs, allowing for the province-wide import and export of power, and permitting the continued operation of utilities, are still considered relevant for the 1990s.

The Regional Tourism and Trade Society of Falher argued that all but one of the original policy objectives (that concerning financing for the Slave and Dunvegan hydro projects) remain valid.

2.1.2 EDMONTON POWER SERVICE AREA

City of Edmonton

The City of Edmonton (this includes Edmonton Power's submission) submitted that the primary purpose of EEMA is to establish "fair and equal wholesale rates" and that EEMA affects more than just electricity bills -- it supports balanced economic development and accommodates the existing electric industry structure in a fair and effective manner. It stated that EEMA was designed to retain the competitive aspects of the regulated utility industry while minimizing interference in utility operations. According to the City of Edmonton, the benefits of Alberta's unique industry structure have been retained, while allowing Alberta consumers to enjoy the benefits of fairness and province-wide wholesale rate equality, a result which would have otherwise required government ownership or one privately owned monopoly.

The City of Edmonton submitted that EEMA's importance continues to increase since utility cost disparities will continue to widen through the 1990s. A significant portion of the province's load growth is forecast to occur in Alberta Power's service area, particularly in the northwestern corner of the province due to petroleum and forest product activity. It stated that resource-based load growth in the north can stimulate the development of service industries in the south, benefiting all Albertans and that all Albertans would lose if northern Alberta's power rates were to form an economic barrier to development.

Others

There were no other submissions from Edmonton Power's service area which commented on the objectives.

2.1.3 TRANSALTA SERVICE AREA

Utilities

TransAlta stated that the primary objective of EEMA was to reduce differences in electricity rates. It was not, as is often claimed, to equalize wholesale rates in the province through the pooling of generation and transmission costs. According to TransAlta, the equalization of wholesale rates was intended to be the means for reducing final consumer rate disparities and not an end in itself.

TransAlta explained that Alberta is in transition from the high-growth, resource-driven development of the 1970s and 1980s to the lower growth, diversified and highly competitive 1990s. It contended that with the U.S. free trade agreement and the increased globalization of world trade, Alberta's industries will succeed only if they are

competitive internationally. To help overcome transportation cost disadvantages, Alberta firms must have lower input costs. TransAlta claimed that the contribution that lower-cost electricity makes to Alberta's competitiveness has been undermined by EEMA.

TransAlta submitted that Alberta's electric industry is also changing in response to lower expectations for demand growth, smaller incremental capacity additions, and changes in the technology and economics of electricity supply.

TransAlta submitted that changes to EEMA's objectives are required. For the 1990s, the objective should be to achieve an orderly and effective transition to a situation where electricity rates provide price signals that reflect the underlying economics of electricity supply.

The City of Calgary submitted that the original purpose of EEMA was to remove economic location disadvantages by reducing electricity rate disparities across the province. The objective was to be accomplished within the context of the existing multiple ownership framework. It stated that the method selected to reduce rate disparities was the averaging of wholesale costs which make up 80 per cent of total cost, a mechanism seen to be a proxy for a single utility serving the entire province. It stated that such an approach was considered preferable to a tax or a direct subsidy from provincial general revenue funds. The City of Calgary considered it important to note that while EEMA was designed to create a common wholesale cost, it was recognized that retail rates for consumers would differ because of the different local conditions experienced by the utilities, as well as the different management policies on distribution.

The City of Calgary submitted that EEMA should have a revised mandate, which should be to reduce electricity rate disadvantages due to location. It proposed a set of principles to promote the achievement of the new mandate: fairness to all stakeholders; cost levelling which is responsive to the economy and the industry; that costs imposed by the revised program should allow Alberta's industries to be competitive locally and internationally; and the revised program should promote efficiency and accountability of individual utilities to their own customers.

The City of Lethbridge submitted that the original policy objectives of EEMA were as follows:

- To reduce the wide disparity in electricity rates.
- To provide a positive stimulus for balanced growth across the province, to the extent electricity costs affect such growth.
- To provide a mechanism for financing large, coal-fired generating plants and the Slave and Dunvegan hydro projects.
- To provide a mechanism to ensure that all Alberta consumers benefit from the sale or purchase of electricity outside the province.

The City of Lethbridge also submitted that there were three additional policy objectives achieved through EEMA: continuing the roles of the PUB and ERCB in regulating Alberta's electric industry; maintaining a mix of investor-owned and municipally owned electric utilities; and, maintaining the local autonomy of municipalities in setting electricity rates for their consumers.

The City of Lethbridge submitted that the concept of reducing rate disparities by moving toward more uniform wholesale rates conflicts with the principle of cost causation inherent in PUB rate setting. It stated that encouraging economic growth in northern regions should be done through taxation and government programs rather than being disguised in power bills. It also indicated that the other objectives of EEMA, including reducing rate disparities, encouraging otherwise uneconomic growth in the north, and providing financing to large projects, are not needed and should be abandoned.

The City of Red Deer submitted that various parties have placed their own interpretation on the original objectives of EEMA to the degree that the original objectives have, in many instances, been obscured.

The City of Red Deer submitted that it has not observed any change between the 1990s and the 1980s in the EEMA objective of reducing rate disparities. It could not comment on whether the objective concerning balanced provincial economic growth is still valid for the 1990s, since it has not been demonstrated whether lower rates in the north have more than offset negative cost-competitive impacts of higher rates in the south. It considered that there should be a continuation of the equitable sharing of the costs and benefits associated with imports and exports, and that this concept should be recognized in the enabling legislation.

Cities and Towns

The majority of the cities and towns in the TransAlta service area argued that EEMA has exceeded its original objective, to reduce rate disparities, by effectively reversing rate disparities in some cases. It was submitted that many customers in the other service areas enjoy lower rates than customers of TransAlta.

The City of Fort Saskatchewan contended that, of the original policy objectives, only the objective of reducing regional rate disparity is still relevant.

The City of Wetaskiwin submitted that the objective of reducing rate disparities has only been partially met because equalization has not occurred between the cities of Edmonton and Calgary and their surrounding rural areas.

The Town of Beaumont questioned the objective of equalizing electricity costs when the rates for other utility services differ substantially.

Industrial Enterprises

The Alberta Newsprint Company (ANC) submitted that the only original objective with merit is reducing rate disparities. ANC argued that EEMA is unnecessary to assist in the financing of very large projects such as the Slave River project or to facilitate imports and exports of electricity.

Others

Most of the individuals and associations in TransAlta's service area felt that some degree of rate equalization is appropriate but that the cost of achieving this should be more widely distributed. They generally argued that the substantial increase in their rates in order to lower the rates in other areas was excessive and was harming the viability of industry in their area. Many suggested that any gains in economic activity in the northern regions were being offset by the loss of national or international competitiveness of industries in TransAlta's service area. They also drew attention to the fact that the rates for other utility services and input costs were not equalized.

It was suggested in several submissions that the objective of EEMA should be to equalize retail electricity rates to ensure there are no rate disparities.

The Bow River Irrigation District submitted that when EEMA was implemented in 1982, it appeared to be simple, straightforward and supportable. It stated that current results indicate that either the design or the implementation of EEMA was faulty.

The Canada West Ski Areas Association submitted that with the elimination of the shielding program which was set up to reduce the impact of EEMA, and with the changing global situation, EEMA cannot be equitable among all power users across the province. It stated that since the original objectives were established, small natural gas combustion turbines have become a more important supply source relative to large coal-fired plants, and pooling through EEMA is not as important for the smaller plants.

2.1.4 PROVINCE WIDE

The Alberta Cogenerators Council (ACC) submitted that EEMA has two purposes -- to reduce rate disparities and to provide an open market for electric energy.

Alberta Energy Company Limited (AEC) submitted that the objective of equalizing wholesale electricity rates should be retained.

The Alberta Federation of REAs Limited summarized the major original policy objectives of EEMA as the reduction of rate disparities, the reduction of unbalanced growth, providing a mechanism for the provincial government to assist in financing large

generating plants forecast as needed on the system, and providing a mechanism for the benefits from interprovincial power sales to be shared by all consumers. The Federation of REAs stated that the original objectives are still important and valid, and will continue to be so in the foreseeable future.

Amoco Canada Petroleum Company Limited submitted that the original objectives are outdated considering the competitive environment of the 1990s. The company also stated that the reduction of rate disparity should not be pursued at the expense of increased electricity rates, nor at the expense of reduced utility efficiency, productivity or accountability. Support for the Industrial Power Consumers Association of Alberta's (IPCAA) position was expressed.

The County of Camrose No. 22, which is located in the service areas of both TransAlta and Alberta Power, stated that while the design of EEMA may be flawed, the original intent to encourage balanced development in the province still appears to be a valid objective.

Imperial Oil Limited expressed concern about the inefficiencies that result from the primary objective of reducing rate disparities which may ultimately lead to higher overall costs. Support for IPCAA's position was expressed.

IPCAA stated that "reduction of rate disparity" was, and still is, the only real purpose of EEMA. It pointed to the EEMA's Annual Report of 1990/91 which commented on EEMA's mandate: "Since its establishment in 1982, the Agency's sole objective has been to reduce regional electricity rate disparities by equalizing generation and transmission (upstream) costs province-wide."

IPCAA submitted that the only original objective that still appears to be supportive of policy goals is the reduction of rate disparities among similar customers. It found that the other objectives are either outdated, inappropriate or result in perverse and undesirable incentives which should be eliminated. It stated that even the objective of reducing rate disparities needs to be revisited in the context of fairness to all customers. IPCAA also suggested that EEMA will only be required to ensure that historical rate disparities are minimized since the marginal cost of future generation and transmission facilities will be similar for all the utilities.

Slave Lake Development Limited submitted that the need for EEMA still exists and the original policy objectives should be ongoing.

Unifarm stated that there is no need for significant changes in EEMA's objectives for the 1990s.

2.2 VIEWS OF THE PANEL

Original Objectives

It is clear that EEMA was implemented to "establish fair and equal wholesale power rates for Albertans." However, there appears to be some uncertainty as to whether this was the primary objective or simply the *means* of reducing retail power disparities by some targeted amount.

A review of the historical record suggests that the *primary objective* of EEMA was to reduce the substantial electricity rate disparities that existed across utility service areas in Alberta. At that time it was determined that in the Alberta Power and TransAlta service areas, 80 per cent of these disparities were, on average, due to generation and transmission costs. Therefore, it was assumed that equalizing wholesale costs would reduce retail rate disparities *on average* by about 80 per cent. The analysis referred to did not establish the expected percentage changes by rate class or the expected changes if Edmonton Power were also included in the EEMA process. Consequently, it would not have been reasonable to conclude at the time that EEMA would reduce all inter-utility rate differences by 80 per cent.

The Panel concludes that the *primary objective* of EEMA was to reduce retail rate disparities *to whatever extent* would be achieved through the equalization of wholesale electricity costs.

While there were a few disagreements among the parties regarding the key secondary objectives of EEMA as identified in the government news release, the Panel believes that the meaning of these objectives was fairly clear.

Other objectives of the program referred to in various documents and speeches were:

- To provide the lowest possible cost electric energy for the population of Alberta as a whole.
- To ensure that the benefits from the export of any surplus power would be shared by all Albertans.
- To encourage the policy of balanced economic growth.
- To distribute equally the costs of production and transmission or the costs of new supplies such as those associated with the Slave River Hydro project.
- To help resolve consumer concerns and the concerns of rural electrification association cooperatives.
- To temporarily reduce energy rates to one-third of Alberta customers.
- To minimize government interference and burdens on taxpayers.

The Panel notes that EEMA was also intended to leave the autonomy of the municipal electric utilities intact.

These other objectives were not seriously questioned by those making submissions and the Panel sees no ambiguities in them. The Panel notes that the Slave River Hydro Project is no longer under consideration.

Suitability Of The Objectives For The 1990s

Reducing Rate Disparities: The Panel agrees with those parties who argued that the primary original objective of reducing rate disparities remains suitable for the 1990s, but that some modifications to the program are warranted.

The Panel does not agree with those who suggested that the objective be changed to the equalization of retail rates. Such an objective would conflict with the autonomy of municipal utilities involved in the distribution of electricity and would, in any case, be impractical. The substantial variations in retail rate design[5] and contribution policies[6] alone make it extremely difficult to quantify accurately the retail rate differences across service areas. Other complications would arise because of the number of municipal utilities, the need to take into account the special conditions and requirements in each local market area, and the negative effects on accountability and efficiency.

Nor does the Panel agree with those who argued that the objective of reducing rate disparities across the service areas is inappropriate. Disparities of the magnitude which existed prior to the introduction of EEMA would, in the view of the Panel, be unacceptable using any reasonable fairness criterion.

Increasing Efficiency and Reducing Electricity Costs (this encompasses several of the secondary objectives related to efficiency and economy): It is the view of the Panel that efficiency and cost competitiveness will be increasingly important in the future. Electricity represents a significant input cost for some industries, especially those related to primary production and processing, which must be competitive in terms of national and international markets. The relatively low cost of generating electricity in the province should represent an important advantage necessary to offset the province's locational disadvantage.

Expenditures on electricity are an essential part of the budget for households and businesses. Consequently, any efficiency gains and the resulting declines in the real cost

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5 Retail rate design consists of a number of factors including revenue/cost ratios, customer mix and customer characteristics. These factors are described in greater detail in Historical Comparison of Retail Electricity Bills in Alberta which was prepared by the Electricity Retail Bill Comparisons Technical Committee.

6 Each utility has its own "investment policy" which sets the amount that the utility will contribute towards the cost of connecting new customers to its distribution system. The lower the investment contribution towards the cost of connection, the lower the utility's distribution costs.

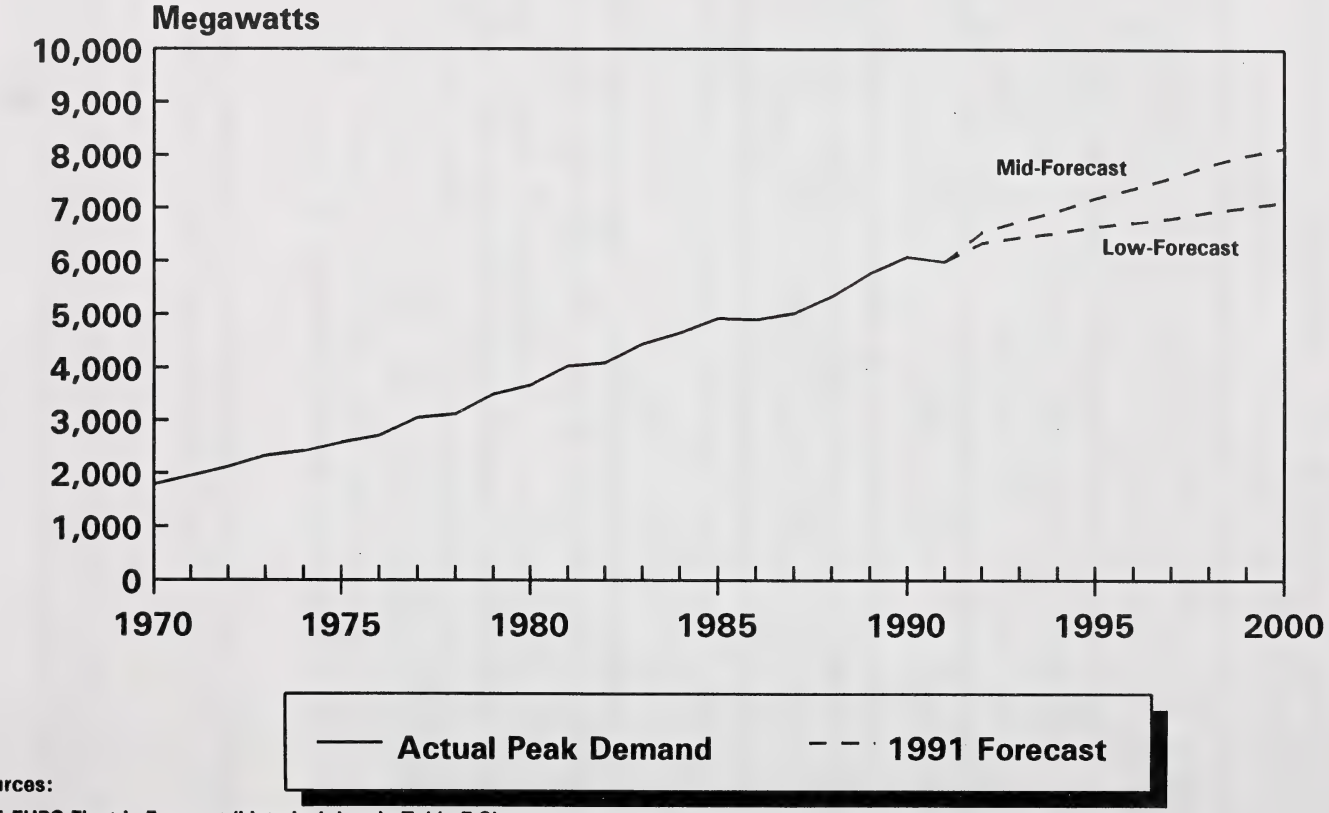
of electricity can be an important source of increases in general economic welfare. The Panel believes that the EEMA program can have both positive and negative effects on the efficiency and economy of the AIS. Nonetheless, the objective of supporting efforts in this direction is suitable for the future.

Sharing the Costs and Benefits Associated with New Facilities, Imports and Exports (a number of the secondary objectives relate to the sharing of costs and benefits): It is the view of the Panel that the growth rate for electricity demand in Alberta during the 1990s will be well below that experienced in the previous two decades. Figure 2.1 illustrates the actual growth in peak demand from 1970 to 1991 and the forecast growth to the year 2000. The average annual growth rate in peak demand since 1970 was 5.9 per cent and is expected to be between 1.9 and 3.5 per cent over the remainder of the 1990s. Based on the current demand forecasts used in utility planning, it would appear that with the completion of all currently approved generation facilities, there is likely to be excess generating capacity in Alberta through most of the 1990s.

Further, it would appear that technological and economic changes will have a significant impact on the nature of any further capacity additions. The anticipated changes include: the greater potential for natural gas-fuelled generation based on improved technology, attractive natural gas prices and availability; the increased ability and incentives to add generation capacity in smaller increments and at non-centralized locations; heightened environmental concerns; and the greater potential for competitive procurement and non-utility generation.

Based on these considerations, the Panel believes that cost averaging under EEMA will continue to be appropriate for the large generating units that currently exist or are under construction. However, province-wide cost averaging will not be necessary for the purpose of accommodating the types of future capacity additions required to meet the province's electricity requirements. Given the modest size of expected capacity additions, sharp rate increases are not likely to be a problem for the AIS or any individual utility.

ACTUAL AND FORECAST PEAK DEMAND ON THE AIS



Sources:

1985 EUPC Electric Forecast (historical data in Table E.2)
1991 EUPC Electric Forecast
ERCB, Alberta Electric Industry Annual Statistics, 1988, 1989 & 1990

Electricity Policy Branch
Alberta Department of Energy

Figure 2.1

Other potential changes include the growing importance of electricity transactions with other jurisdictions (especially with British Columbia and the northwestern United States), and the development of generating units dedicated to electricity exports. These clearly involve issues which go beyond the future role and operation of EEMA. The Panel believes, however, that EEMA may be desirable to ensure that the benefits from electricity exports are shared in a fair manner by Albertans.

Other Objectives: The Panel believes the objective of contributing to the policy of balanced economic growth across the province remains valid and important for the 1990s. It also agrees that the benefits of economic growth and development in all areas of Alberta are widely distributed and shared throughout the province. However, it is the Panel's view that conceptually such an objective would be better served by explicit government transfers through the tax/expenditure system rather than through a cost averaging process.

The Panel also believes that an important objective for the 1990s should be to ensure there is equivalent tax treatment for all elements of the electric industry. That is, there should be no tax advantage for customers served by municipally owned rather than investor-owned utilities.

3. EFFECTIVENESS AND FAIRNESS OF THE IMPLEMENTATION OF EEMA

3.1 VIEWS OF THOSE MAKING SUBMISSIONS

3.1.1 ALBERTA POWER SERVICE AREA

Alberta Power

Alberta Power took the position that EEMA has been fair and effective. In support of this position, Alberta Power stated the following:

- EEMA has made electricity available for resource development in Alberta Power's service area at prices similar to those in other parts of the province. Since 1982, virtually all major load additions in Alberta Power's service area have been resource-related. Nearly 60 per cent of Alberta's oil production and 40 per cent of its gas production come from Alberta Power's service area. Alberta Power's service area accounts for 100 per cent of the province's growing synthetic crude oil and crude bitumen production and a steadily growing share of heavy oil production.

- The development of the north benefits all Albertans through royalty revenue, corporate head offices, engineering and professional jobs, service industry contracts, corporate returns for re-investment and other economic activity. If the royalties paid were applied only to those areas where the resources are located, it would seem unfair to others not in those areas. For similar reasons, the costs of producing those resources should not be borne solely by the customers located in those regions.

- Electricity is not merely essential for resource development; it is basic to Alberta's economic development and is directly related to the growth in Gross Domestic Product. The cost of electricity is therefore an important consideration in a company's investment decisions and can affect the timing and location of industrial projects.

- If EEMA did not exist, electricity rates in the Alberta Power service area would be significantly higher, creating an impediment to development in these areas. With EEMA in place, electricity rates will remain similar in all parts of the province without jeopardizing Alberta's industrial competitiveness.

Cities and Towns

The majority of submissions received from cities and towns in the Alberta Power service area stated that the EEMA process is fair for all Albertans. Many submissions stated that EEMA ensures fair and competitive electricity bills throughout the province, and

that the elimination or significant alteration of EEMA would impose an unfair burden of cost on Alberta Power customers. It was widely felt that the EEMA process has been effective in reducing rate disparities. Many submissions suggested that the availability of electric service and reasonable rates have been factors in attracting and keeping industry and resource development in the north; others expressed the view that EEMA is effective in protecting farmers. It was also pointed out in several submissions that electricity consumers do not have a choice as to which electric utility provides service to them.

The City of Fort McMurray took the position that EEMA has been both effective and fair. The following points were offered in support of its position:

- Over the last 10 years, EEMA has made a significant contribution to all of Alberta by encouraging major development in the north.

- The elimination of EEMA would negatively affect Fort McMurray because it would remove $4.4 million from the purchasing power of residents and increase property taxes by about 4 per cent.

The City of Grande Prairie contended that the EEMA method of sharing electric energy costs is fair. The method is also effective since the wholesale cost of power is virtually the same in all parts of the province. The City suggested that any changes to EEMA that increase electricity costs in its region would impact Grande Prairie in the following ways:

- As a direct user of electric energy, the City would have to pass on any increase in electricity costs to taxpayers. An increase of 33 per cent would amount to about $400,000 and would result in an increase in the municipal property tax of 0.3 per cent.

- Since the city is a regional centre serving a large agricultural community, any increase in costs that reduce the buying power of farmers and other industry in the area would reduce the volume of retail sales and services to the city.

The City of Lloydminster stated that EEMA has been effective and fair, and offered the following arguments in support of its position:

- Elimination of EEMA would result in cost increases equivalent to a 1.1 per cent increase in water rates, a 10.3 per cent increase in arena rates, a 7.2 per cent increase in pool rates, and a 1.6 per cent increase in general municipal taxes.

- While the City of Lloydminster did not say there are no improvements that can be made, it did state that EEMA is certainly perceived as "effective and fair."

The Town of High Level indicated that although the Alberta Power service area consists

of only 14 per cent of the population of Alberta, the area produces 30 per cent of the province's Gross Domestic Product. The Town estimates that $300 million in royalties have flowed from northern Alberta to the Provincial Treasury. The reduction of rates disparities through EEMA is therefore a fair process.

The Town of Peace River stated that EEMA has been effective in accomplishing a majority of its original goals. EEMA has provided a level of electricity rates that has assisted the Town in attracting major resource development to its region.

Industrial Enterprises

Albright & Wilson Americas submitted that EEMA is fair because it averages generation and transmission costs across the province so that customers who are located in areas that are more costly to serve are not placed at an economic disadvantage.

Anderson Exploration Limited stated that TransAlta customers should not pay higher electricity rates than customers of the utilities receiving EEMA transfer payments from TransAlta.

Canfor submitted that the difficulties attributable to EEMA are mainly due to changes in the electric industry, which are better addressed by the Alberta Department of Energy, the electric utilities and the existing regulatory agencies.

Canadian Hunter Exploration Limited indicated that EEMA has been fair in facilitating balanced economic growth and sharing of resource wealth. Canadian Hunter contributed $1.5 million in 1991 in municipal taxes to the County of Grande Prairie and surrounding area. Economic spin-offs of resource development allowed the company to employ 300 people in Calgary and 45 people in Grande Prairie. The company suggested that if EEMA were abolished, the resultant 30 per cent increase in its electricity rates would have a significant negative impact on its cash-flow and earnings.

Chem-Security (Alberta) Limited argued that EEMA has enhanced the opportunity for balanced economic growth in Alberta.

Husky Oil Operations Limited argued that EEMA is the most efficient method of ensuring development of the lowest cost incremental energy in Alberta. It also asserted that EEMA is effective and fair for the following reasons:

- Costs are subject to the scrutiny and cross-examination of competitor utility companies. This system of checks and balances, whereby each utility company ensures that the others are operating in an efficient manner and that forecasts are realistic, helps prevent over-building and unnecessary increases in rate base.

- Costs of unnecessary capital additions are excluded, as evidenced by the Genesee and Sheerness generating stations, which were built, but not included in the pooling process because they were not required at the time.

Syncrude Canada Limited submitted that EEMA is fair and effective. The company stated that resource industries are the cornerstone of the Alberta economy and EEMA is a tool that has helped to promote growth and development in these industries by allowing standard electricity costs to be available anywhere in Alberta. Syncrude suggested that other provinces in Canada have electric systems producing similar results to those of EEMA; resulting in electricity prices that are essentially the same within the province's boundaries.

Others

Most of the submissions by individuals and associations in Alberta Power's service area argued that they have a right to equalized electricity rates, and that it would be unfair if they had to pay the higher rates that would exist in the absence of EEMA. Such rates would create economic hardship for many individuals and businesses in Alberta Power's area. Further, they argued that it would reduce economic growth and development in the north to the detriment of all Albertans. The following are additional points that were made in a number of submissions:

- Natural resources used to generate electricity belong to all Albertans.
- It is unfair that Edmonton Power, which receives EEMA transfer payments, has lower electricity rates than TransAlta.
- EEMA removes the need for one provincially owned utility which would be less efficient than Alberta's mix of investor-owned and municipally owned utilities.
- The differences in end-use electricity rates are due to a number of factors which are not related to EEMA.

The Grocery People suggested that EEMA has been good for the province and has made it possible for retailers in northern Alberta to share in the economic development and prosperity originally envisaged by EEMA's creators.

The Hutterian Brethren of Verdant Valley stated that pricing of energy should remain as it is now to be fair to all concerned. Furthermore, Alberta Power customers should not have to pay more for energy because their supplier serves remote areas.

Improvement District No. 16 suggested that EEMA has been effective because it has put the north on an equal footing with the south.

The Joint Municipal Intervention submitted that a policy of both the governments of Canada and Alberta exists to discourage the imposition of penalties for living in rural areas of the province or long distances from metropolitan centres. The group suggested that this same sense of fairness was a motivating factor behind the creation of EEMA. Its removal, therefore, would precipitate major economic and social changes. For

instance, in the absence of EEMA, bills to Alberta Power's oil and gas customers would increase by more than 37 per cent on average. Schools and hospitals would experience increases of 27 per cent to 30 per cent, creating a major social impact.

The NADC stated that the EEMA process has the potential to be fair, but it was concerned that the regulatory environment may not be operating as efficiently and fairly as possible. The NADC indicated that EEMA has been effective because it has contributed to the integrated management of Alberta's electric system, and has also successfully addressed concerns about high electricity costs in the north.

The Silver Valley REA submitted that the privilege of providing electricity to Albertans does not confer a right upon a utility to establish rate advantages for its customers.

There were many others who made submissions in support of the continuation of EEMA.

3.1.2 EDMONTON POWER SERVICE AREA

City of Edmonton

The City of Edmonton's position was that EEMA operates effectively and fairly. In support of this position, the City of Edmonton offered the following arguments:

- EEMA has been effective because it has achieved its main objective of "fair and equal" wholesale rates.
- Among the factors contributing to effectiveness in the Alberta electric system is competition and there can be no doubt that EEMA increases competition.
- EEMA has been fair because it does not disadvantage utility owners. Their risks, returns and opportunities to propose new facilities remain virtually unchanged.
- EEMA has been fair because every new project proposal is made on a level playing field.
- EEMA has been fair because its contributors and beneficiaries change. Since 1982, TransAlta and Edmonton Power have both been contributors to, and beneficiaries, of EEMA.

Others

The Edmonton Chamber of Commerce submitted that many of the decisions made by the electric utilities and their customers would not have been made if EEMA was not in place. Any changes to the rules will result in economic hardship for these utilities and their customers.

3.1.3 TRANSALTA SERVICE AREA

Utilities

TransAlta's position was that EEMA has not been effective and fair. In support of this position, TransAlta offered the following arguments:

- EEMA lacked the desired effectiveness in reducing rate disparities. Under the current EEMA process, new differentials have appeared. While Edmonton Power is receiving EEMA subsidies, its residential rate is 25 per cent lower than that of TransAlta.

- EEMA was not necessary for the economic dispatch of electricity since economic dispatch was established before the implementation of EEMA.

- EEMA was not necessary for the import or export of electricity. Both short-term and long-term exports and imports were coordinated independent of EEMA.

- Major hydro electric projects such as the Slave River project did not evolve as they were expected to at the time EEMA was implemented.

- EEMA has not contributed to a truly balanced economic growth. Subsidies to businesses in one area of the province at the expense of added costs in another is not sustainable. They will distort decision making and limit Alberta's overall growth and development.

- EEMA has created inappropriate price signals which have distorted choices made by Alberta industry between the use of electricity or natural gas.

- EEMA assumes that, since 80 per cent of electricity costs are related to generation and transmission, these costs account for 80 per cent of the rate disparities. However, while distribution costs were estimated to represent about 20 per cent of total electricity costs, these costs vary widely between rural and urban customers and among the classes of customers. Therefore, the pooling of generation and transmission costs does not necessarily reduce rate disparities by 80 per cent.

- EEMA subsidies have been paid where no rate disparity exists (i.e. to Edmonton Power) and contribute to excess profits.

- EEMA has reduced incentives for efficiency and accountability of individual utilities to their own customers. The direct impact of actions by the utilities on their own customers has been diluted.

- EEMA has eroded the ability of some large industrial customers to compete on a global basis. Large industrial customers in the TransAlta service area now pay, on average, 20 per cent higher rates as a result of EEMA.

The City of Calgary stated that, although EEMA has helped stimulate the economy of northern Alberta, its overall effect has been negative due to the weighty cost burden it has imposed on consumers in southern Alberta. The City argued that EEMA has not been effective and fair for the following reasons:

- The averaging of wholesale costs, in some cases, reversed the retail rate disparities, rather than merely reducing them.

- Ever since EEMA was established, the utilities have become less cooperative, as shown by the reduced effectiveness of the EUPC.

- It has created an artificial incentive for northern firms to use electricity when other energy sources such as natural gas may have been less expensive.

- The cost impacts have been concentrated on southern Alberta.

- Approximately 20 per cent of the electricity bills of industry located in TransAlta's service area is attributed to EEMA transfer payments. Increasing electricity costs are beginning to compromise the national and international competitiveness of these industries.

- For 1992, approximately 14 per cent of the electricity bills of residential customers in Calgary is due to EEMA. This is equivalent to $60 (on average) of the annual residential electricity bill in the city.

The City of Lethbridge took the position that the EEMA process was neither effective nor fair. Their position was supported by the following arguments:

- EEMA has resulted in economic inefficiencies and inequities between consumers. It has created significant cost burdens on customers of TransAlta and Edmonton Power.

- The objective of equalizing costs throughout the province has been surpassed in some cases, and has resulted in an inequitable transfer of substantial funds from the southern region of the province to the northern region.

- Rates resulting from EEMA are currently 20 per cent higher for TransAlta than they would have been without EEMA pooling.

- The subsidization of electric costs in northern Alberta is equivalent to a taxation in the south that occurs without elected review and analysis.

The City of Red Deer considered EEMA to be fair, with the exception of the following issues:

- Currently, the costs of reducing rate disparities are not borne by all electric

consumers in Alberta. The City of Medicine Hat, cogenerators and independent power producers are exempt.

- Since the farm and residential groups are combined into a single consumer group, the burden of higher costs associated with providing service to rural areas falls solely on the residential customer class.

- The arbitrary selection of the interface for REAs as the point at which energy enters those systems was not consistent with the averaging of generation and transmission costs as originally contemplated.

Cities and Towns

The opinions of the cities and towns in the TransAlta service area seemed to follow a general theme regarding the fairness of EEMA. There was a feeling of inequity arising from the perception that TransAlta customers contribute transfer payments to other utilities whose customers, in some cases, pay less than TransAlta customers. Many submissions stressed the perception that the south is subsidizing the north and that the EEMA process "robs Peter to pay Paul." The issue of effectiveness was less often addressed, though most cities and towns in the TransAlta service area agreed that EEMA reduces the accountability of Alberta's electric utilities and reduces incentives for improved efficiency.

The City of Airdrie expressed the perception that EEMA's current pricing structure is not being formulated on a level playing field largely because the municipally owned utilities are not regulated at all levels by the PUB.

The City of Camrose expressed concern that increasing electricity rates will make it even more difficult to attract new business and industry to its area.

The City of Fort Saskatchewan asserted that EEMA is not fair because its residents pay significantly more, on average, than residential customers of Edmonton Power. It was suggested that the difference in rates is due to Edmonton's rates being set by its city council. The City of Wetaskiwin stated that EEMA has not been completely effective since significant rate disparities continue to exist between the cities of Edmonton and Calgary and the rural areas surrounding them.

The Town of Fort Macleod submitted that EEMA is encouraging large electricity consumers to pursue self generation as a viable alternative. It stated that this will eventually reduce the integrity of the system and have an adverse impact on consumers which are too small to generate their own electricity.

The Town of Hinton suggested that Edmonton Power has an unfair advantage over Alberta Power and TransAlta since it shares the costs of its new power plants while retaining the advantage of lower distribution costs.

The Town of Whitecourt stated that EEMA has been effective by encouraging development to occur throughout the province. However, the Town felt that EEMA has resulted in an overbalancing effect, with subsidies from customers of the most efficient utility being used to support the customers of other utilities with artificially low rates.

Industrial Enterprises

Many of the submissions from industrial enterprises in TransAlta's service area argued that EEMA reduces the accountability and efficiency of Alberta's electric utilities. Concerns were expressed that EEMA allows transfers to a utility with lower electricity rates and a higher return on equity than the utility making the transfer payment. It was also stated in most submissions that EEMA is reducing the competitiveness of industry in TransAlta's service area.

ANC submitted that EEMA has increased the overall cost of electricity in Alberta by allowing the construction of generation and transmission facilities in remote areas of Alberta. It stated that, due to EEMA, the decisions of industry to locate in these remote areas were not based on the real costs of service.

CanadianOxy Chemicals Limited submitted that industry locating in high-cost service areas is artificially encouraged to take conventional utility service as opposed to other options such as self-generation, cogeneration or fuel substitution.

Dow Chemical Canada Incorporated asserted that EEMA is not fair because it negatively affects the relationship between an industry and its electricity supplier. EEMA gives electricity suppliers little control over costs so they cannot make a long-term commitment with customers to pass on efficiency gains. Dow Chemical also proposed that EEMA is not effective because it distorts the economic decision-making process, thereby promoting investment decisions which, without the EEMA cost-sharing mechanism, would be neither economically feasible nor capable of overall wealth generation.

Lethbridge Iron Works Company Limited submitted that EEMA leads to poor economic decision-making by both the utilities and their consumers.

Weldwood of Canada Limited stated that EEMA is unfair since all of the utilities are not regulated to the same degree.

Others

With regard to the effectiveness of EEMA in achieving its objectives, most submissions from the TransAlta service area stated that EEMA is effective in reducing rate disparities. Some suggested that rather than merely reducing rate disparities, EEMA has in some cases eliminated or reversed them. Many submissions also stated that EEMA has reduced the incentives for efficiency and accountability of the utilities.

Most of the submissions received from the TransAlta service area expressed a perceived lack of fairness in the EEMA process. The reason most often given was a perception that Edmonton Power customers are being subsidized by TransAlta customers and yet pay lower rates. It was argued that if TransAlta customers were forced to share in the costs of generation and transmission facilities for Edmonton Power, then customers of Edmonton Power should be willing to share the benefits they receive because of very low distribution costs.

The County of Strathcona objected to bearing the higher distribution costs of TransAlta's retail customers while the wholesale customers - such as Calgary, Lethbridge and Red Deer -retain the advantage of their lower distribution costs.

The Old Man Water Users Association (OMWUA) stated that it is unfair that EEMA does not include the City of Medicine Hat.

3.1.4 PROVINCE WIDE

The Alberta Association of Municipal Districts and Counties (AAMDC) submitted that EEMA has a tendency to reduce rate disparities and has encouraged balanced economic growth.

AEC submitted that EEMA has achieved its objective of equalizing wholesale electricity rates.

AGT Limited argued that EEMA will eventually lead to a situation in which electricity consumers will bypass the existing electric system and seek alternative suppliers. This will increase the electricity costs for the remaining consumers on the system.

The Federation of REAs suggested that if Alberta presently was in a situation where only one generation and transmission utility existed in the province, the result would be very similar to the current structure of the Alberta system. The Federation of REAs also argued that EEMA is fair, that it is incorrect to refer to the EEMA transfer payment as a subsidy, and that the EEMA process increases accountability since the utilities have the opportunity to scrutinize each other's costs.

IPCAA stated that EEMA is effective in reducing rate disparities but that the overall effect is negative because reduced rate disparities come at the expense of utility accountability, economic efficiency and overall industrial economic health. IPCAA also argued that EEMA was never intended to result in a utility receiving transfer payments while having lower electricity rates than the utility providing the transfer payments.

Unifarm submitted that it is difficult to assess whether EEMA has encouraged the efficient use of electric energy resources in Alberta. Unifarm noted that EEMA is not responsible for approving new generating plants; however, it also has no economic incentives to ensure that a utility is competitive and more productive.

3.2 VIEWS OF THE PANEL

Effectiveness

Reduction of Rate Disparities: The Panel concludes that EEMA has resulted in an approximate equalization of wholesale costs for customers served by Alberta Power, Edmonton Power and TransAlta and that the program has been effective in meeting the primary objective of substantially reducing inter-utility retail rate disparities. There has been some reversal of retail rate disparities for certain consumer categories. Some customers benefitting from EEMA transfers have had lower electricity bills than some who are contributing to the program. However, the Panel is satisfied that this is due to a number of factors other than EEMA, including:

- Retail rate design.
- Differences in contribution policies of the utilities.
- Differences in population density that give rise to variations in distribution costs and a tendency toward lower retail rates in the larger urban centres.
- The elimination of the provincial income tax rebates.
- The capping of federal income tax rebates.

The Panel notes that EEMA was not intended or designed to equalize retail rates. Therefore, it cannot be expected to take into account the significant variations in distribution costs across and within service areas that may result in differing retail rates.

The Panel also notes from the conclusion in TransAlta's and Alberta Power's *Bill and Rate Comparison Package* that the overall level of the rates of the two utilities are quite similar after taking into account differences in rate design and contribution policies.

Further, the Panel does not agree with those parties who suggested that because some retail rate differences still exist, EEMA has been ineffective. Nor does it agree with those who argued that it has been ineffective or inappropriate because it did not reduce all retail rate disparities by 80 per cent.

Utility Operations, Investment Decisions and Pricing Signals: The Panel notes that decisions affecting the overall efficiency of Alberta's electric system are subject to review and approval by the ERCB and the PUB prior to the EEMA averaging process. Consequently, EEMA's influence on efficiency is limited but still significant. Areas where EEMA does affect efficiency are outlined below:

- Alberta's system of multiple electric utilities, with strong investor-owned components combined with the regulatory framework, has benefited the province. Relative to the

monolithic, government-owned structures in many other provinces, the Alberta system generally provides for greater openness, responsiveness, accountability and efficiency. EEMA has contributed to these benefits to the extent that, in its absence, there would likely have been a move to create a single government-owned utility for electricity generation and transmission in order to deal with rate disparities.

- EEMA has not interfered significantly with the operations of the utilities, but it has imposed upon them some minor additional costs related to the administration and operation of the averaging process.

- There have been efficiency gains associated with *economic dispatch.* However, prior to the introduction of EEMA, the utilities practised economic dispatch. Nevertheless, EEMA has probably served to reduce the transaction costs associated with achieving an efficient system of economic dispatch.

- The Panel believes that equalizing wholesale costs under EEMA may have, in some cases, reduced accountability and led to investment decisions that increased the overall costs on the Alberta electric system. This may have been offset to a degree by the increased attention of each utility to the operations and efficiencies of the other utilities in regulatory proceedings.

- The Panel recognizes the strong incentive of Alberta's electric utilities to maintain or increase the level of their rate bases, and this may affect their decisions.

- The averaging of costs across utility service areas may distort the price signals required for efficiency in the use of electricity and the selection of facilities, but so can the common practice of averaging within service areas. Further, electricity rates are set using procedures that produce front-end loaded rate patterns.[7] Consequently, the rates may deviate significantly from the efficient price signal given by the long-run incremental cost, even if there is no inter-utility cost averaging. If there are significant differences in demand growth between service areas, it is possible that averaging the cost of facilities across all service areas results in rates which are actually closer to long run incremental cost.

Reductions in the Rate of Increase of Costs: The Panel is unable to assess the effectiveness of the implementation of EEMA on the rate of increase in costs for Alberta electricity consumers as a whole. As noted above, EEMA appears to have promoted efficiency in some cases and reduced it in others. No evidence was presented which would lead to the conclusion that EEMA significantly changed the overall rate of increase in costs.

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[7] The rates to recover the cost of new facilities are above the long-run incremental cost in the early years and below it in later years as the facilities depreciate.

The program did, nevertheless, affect the rate of increase in electricity costs in the individual utility service areas. The increases in rates in Alberta Power's area were substantially reduced from what they would have been otherwise. It increased Edmonton Power's electricity costs from 1986 to 1990 and then reduced them from what would have been experienced with the addition of the first Genesee unit. For TransAlta customers, EEMA has raised electricity rates, particularly following the elimination of the shielding program.

The Panel notes, however, that the high rates of increase emphasized by many of the customers were, to a considerable degree, due to the factors listed on page 9 of this report.

Other Objectives: As the central dispatcher of electricity for the AIS, TransAlta arranges for the export, import or exchange of electricity on behalf of the Alberta AIS utilities. This function did not devolve to EEMA. Nevertheless, by averaging costs, the program may have simplified the process through which the costs and benefits of electricity imports and exports are shared among the utilities.

One of the secondary objectives most frequently noted in the submissions was the encouragement of balanced economic growth throughout the province. The Panel agrees that the substantial reduction in Alberta Power's rates as a result of EEMA may have facilitated economic growth in Alberta Power's service area, and that this growth and development benefited the entire province.

It is unlikely that EEMA resulted in reductions in economic growth in TransAlta's service area while shielding was in place, but the possibility of reductions in the period since the termination of shielding cannot be ruled out. No evidence was presented that there has been a decline in economic growth in TransAlta's area strictly as a result of the EEMA transfer payments. However, the Panel agrees with those suggesting that, to the extent electricity rates have been increased, EEMA may have reduced the competitiveness of agriculture and other industries in TransAlta's service area, and that in the mid-1980s, the competitiveness of some industries in Edmonton Power's service area may also have been reduced.

Fairness

The Panel notes that the concept of fairness is subjective and there is no widely accepted definition of it. Indeed, the definitions of fairness implicit in the submissions were variable and often conflicting. Nevertheless, the Panel concludes that while the implementation of EEMA at the wholesale level was reasonably fair during periods when shielding was effective, there have been elements of unfairness in recent years.

The Panel does not accept that fairness requires the equalization of retail rates across the province. It rejects the argument that being a resident of Alberta confers a right to

equalized retail electricity rates, or that there is a general cost equalization principle applied in the setting of rates for other utilities. For example, there is not an equalization of telephone rates or water and sewage service rates. While there are cases (such as the NOVA system in the natural gas industry) where *postage stamp* tolls are employed, these have generally been adopted for reasons other than those strictly related to notions of rights or equity.

Nor does the Panel agree with those who argued that it is unfair to reduce rate disparities across the utility service areas through cost averaging. In this regard, the Panel notes the following:

- Rate averaging is applied within service areas and this has generally been accepted as being fair.

- A substantial portion of the inter-utility rate differences in the absence of EEMA-type averaging would simply reflect the arbitrary nature of service area boundaries and would not reflect differences in real incremental supply costs, but rather would primarily reflect differences in growth rates for electricity demand and the average age of the facilities serving those demands.

- Many investment decisions, particularly in Alberta Power's service area, have been made on the basis of the reduced rates achieved under EEMA. It would be unfair to those investors to make major changes in rates.

- Some degree of inter-utility cost averaging may be fair, given other objectives such as encouraging balanced economic growth and development in the province.

Further, the Panel recognizes the general regulatory principle that customers of a utility pay only for service and by purchasing the service they do not acquire rights to the facilities used to produce and deliver the service. Consequently, it cannot be said that TransAlta customers have acquired rights to the low-cost generation and transmission facilities serving TransAlta's area.

Nevertheless, with the elimination of shielding, the Panel believes that there is some unfairness to the customers in the service area of the utility with the lowest generation and transmission costs who make the full contribution to achieve equalized wholesale costs. For example, there is an element of unfairness to those who made investment decisions in TransAlta's service area on the basis of TransAlta's advantage in electricity costs. This is similar to the unfairness that would occur if EEMA were removed entirely, with the consequence of large increases in Alberta Power's rates, after customers in Alberta Power's service area made investment decisions based on current electricity rates.

Given this consideration, the Panel believes that the degree of fairness concerning the operation of EEMA could be improved.

4. SUGGESTED MODIFICATIONS AND ALTERNATIVES TO EEMA

4.1 VIEWS OF THOSE MAKING SUBMISSIONS

4.1.1 ALBERTA POWER SERVICE AREA

Alberta Power

Alberta Power submitted that when considering required modifications, it is important to distinguish between requirements for the future direction of the electric industry and associated regulatory requirements as a whole, and specific requirements for EEMA. It contended that EEMA is effective in creating a common wholesale power rate for all Albertans -- a principle which Alberta Power considered to be essential for the economic development which benefits the province as a whole. Alberta Power contended that equal access to electricity at equivalent cost, so that Albertans are not disadvantaged by where they live and work, is considered a requirement which the province's electricity industry must satisfy, and that EEMA meets this need.

Cities and Towns

Most of the submissions received from the cities and towns in Alberta Power's service area argued that EEMA had achieved the desired objectives and urged the Panel to maintain the present structure. Many referred to the increased direct costs to citizens through higher power bills and indirect costs through higher taxes should EEMA be significantly changed.

The Town of Stettler suggested that EEMA be modified to prevent transfer payments to those utilities which already have lower electricity costs.

The Village of Linden stated that many small communities in Alberta Power's service area would generate their own electricity if EEMA were eliminated.

Industrial Enterprises

Most of the industrial enterprises in Alberta Power's service area argued that there should be no modifications to EEMA since it is fair and effective. They further submitted that the termination of EEMA would have a significant impact on competitiveness and viability.

Albright & Wilson submitted that it is in agreement that utilities must become more accountable to their customers. It stated that "fair and equal" electricity rates must be paramount and that these objectives may be achieved, not by phasing out EEMA, but by modifying the existing regulatory system. It presented alternative modification

proposals, including the inclusion of distribution costs in the cost base and more closely linking the ERCB and the PUB in the capital expenditure approval process.

Procter & Gamble Cellulose contended that the role of EEMA should be considered in a larger perspective -- one involving a free market for power production that responds to Alberta's overall energy and environmental needs in a way that reduces regional rate disparities. It recommended the establishment of a legislated negotiation process which would give the affected parties the right and the means to reach a consensus on new EEMA legislation.

Suncor noted that oil sands development is vital to Alberta's future success as a competitive player in the world energy market. It stated that as the world's highest cost source of crude oil, oil sands developers are working to achieve cost reductions. The abolishment of EEMA would widen the gap between the low-cost conventional oil producers in the south and high-cost oil sands producers in the north.

Syncrude submitted that in the short term, it supports the status quo as the fairest and most just method of providing similarly priced electricity to industries and residents of Alberta. It stated that it supports a long-term transition to deregulation of electric power generation and distribution.

Others

Almost all the other submissions in Alberta Power's service area suggested that no substantive modifications were required since the objectives of EEMA are being met and are still valid. It was stated in these submissions that removing EEMA would create significant hardship for the customers in Alberta Power's service area. It was suggested in some submissions that an alternative to EEMA would be one Crown-owned electric utility in Alberta.

A number of submissions also argued that EEMA should address the rural-urban disparities in end use rates. In particular, it was suggested that the costs of distribution facilities should be included in the EEMA pooling process in order to ensure equalized retail electricity rates.

The Fort McMurray Chamber of Commerce stated that the PUB should have the authority to approve the rate of return and electricity rates of all electric utilities in the province.

The NADC argued that cost pooling is still the most effective means of reducing rate differences across Alberta. It stated that there is a widespread belief that some customers receive unfair benefits through the pooling process, and proposed that two principles of reform should serve as the basis of any changes to EEMA. The first is that allowances should be made for differences in distribution costs. Secondly, adjustments should be made to ensure that utilities receiving a transfer, including municipally owned

utilities, do not receive a rate of return on their operation that is significantly greater than those contributing to the program.

The NADC also proposed:

- That efforts be made to standardize rate design across the province to enable direct comparison of electricity rates and to improve the monitoring of EEMA.

- That the province make allowances in the EEMA averaging formula for tax payments paid by investor-owned utilities on their distribution income.

The Silver Valley REA also recommended that EEMA purchase all electricity in Alberta and resell it to the wholesale customers. This could be further expanded to encourage competitive bidding for future electricity requirements.

The Two Hills Health Care Centre suggested that removing EEMA would probably lead to TransAlta taking over Alberta Power and Edmonton Power, thereby reducing the benefits of competition between the three utilities.

The Zawale REA suggested that the administration of EEMA be placed under the jurisdiction of the PUB.

One resident of Grande Prairie expressed disappointment that EEMA is under review since the burden of demonstrating the need for change, and the associated benefits, rested with those pursuing the change.

4.1.2 EDMONTON POWER SERVICE AREA

City of Edmonton

The City of Edmonton concluded that the fundamental concept of EEMA is sound and no substantial changes were required -- EEMA should be retained in its present form.

Others

The Edmonton Chamber of Commerce submitted that Alberta's success in an increasingly global economy depends on its businesses being as competitive as possible, and that one of the key features of a competitive economy is having input costs reflect real costs. It stated that the Panel should strive to maximize competition, but should provide fair rules in the transition.

4.1.3 TRANSALTA SERVICE AREA

Utilities

TransAlta submitted that changes to EEMA should eliminate unintended and unanticipated results, contribute to improving Alberta's competitiveness, and be founded on the principles of accountability and efficiency of the utilities.

TransAlta recommended a number of modifications to EEMA. The first is that a "rate disparity test" be established to ensure that customers of utilities paying EEMA transfers do not have higher rates than customers of utilities receiving EEMA transfers. Secondly, EEMA transfers should be capped in 1993 to ensure that EEMA promotes efficiency and accountability of individual utilities to their own customers. The transfers in 1993 would decrease as facilities depreciated. The transfers would also be reduced by 20 per cent over 1994 and 1995 to ensure the reduction of rate disparities is 80 per cent. This would be consistent with TransAlta's views of the objectives of EEMA. Finally, TransAlta recommended the establishment of measures to ensure that Albertans who "opt out" of EEMA still pay their share of the transfer payments.

As a further consideration, TransAlta proposed the adoption of a "safety net" approach, whereby EEMA transfers would reduce any future TransAlta/Alberta Power rate disparities by 80 per cent of what the disparity would have been in the absence of EEMA. For example, if the rate disparity in residential rates between TransAlta and Alberta Power is 30 per cent without EEMA, the transfer would be maintained to the extent that only 20 per cent of the differential, or a disparity of 6 per cent, would exist.

The City of Calgary proposed that since it is the transmission component that accounts for the additional cost required to service more remote consumers, EEMA should be modified over time so that eventually only transmission costs are equalized. It submitted that this should be accomplished over time through the "grandfathering" of existing generation facilities. As older units are phased out and replaced with new generation capacity, the cost of these new units would not be included but would be the responsibility of the utility owning the asset. Thus, the transition would eventually result in only transmission costs being averaged. It stated that the move to smaller plants, combined with all three generating utilities facing similar marginal costs for new supply, has reduced significantly the need to spread the financial burden and risk for new generation costs.

The City of Lethbridge contended that the objectives of minimizing electricity costs to the province and providing equity among consumers are not being met with EEMA. It stated that to achieve lower costs, more competition is desirable, and to achieve equitable prices and promote economic efficiency, subsidization through power rates must be eliminated. The City of Lethbridge proposed the elimination of EEMA and its replacement by a competitive system which would lead to cost minimization, the elimination of subsidies and greater equity among consumers.

The City of Red Deer submitted that balanced growth or economic development should be viewed as beneficial to the province as a whole and the costs borne from general revenues. It stated that should this not be acceptable, then the costs of reducing rate disparities should be borne by all provincial electric consumers including Medicine Hat, cogenerators, independent and small power producers. It also submitted that changes be made to the definition of consumer groups and to the energy interface point for REAs.

Cities and Towns

Many of the cities and towns in TransAlta's service area expressed the view that changes were required to eliminate certain inequities and to increase accountability and productivity of the utilities. The following are some of the changes that were repeated in several submissions:

- Retail electricity rates should be equalized by including distribution costs in the pooling process.

- All the utilities participating in EEMA should be under similar levels of regulation.

- Utilities receiving EEMA transfer payments should not have lower electricity rates, and/or higher returns on equity than the utilities contributing to EEMA.

- EEMA transfer payments should be capped and/or eliminated.

- EEMA transfer payments should be reviewed periodically.

The City of Airdrie suggested that the aggregate electricity cost differential at the pooling interfaces should be capped at one cent per kilowatt-hour, which would encourage more efficiency. The City also suggested that a utility receiving an EEMA transfer should be required to distribute the transfer among its customers in a manner that avoids the reversal of rate disparities.

The Town of Fort Macleod recommended the removal of EEMA immediately.

The Town of Okotoks supported the City of Calgary's submission, finding that it provides a workable alternative and a fair resolution of a complex problem. The Town stated that it must be ensured that EEMA does not jeopardize the ability of southern Alberta industry to compete with north-central Alberta industry.

The Town of Ponoka submitted that another method should be found to subsidize people living in remote areas of the province, rather than through the electricity rates of a private company such as TransAlta.

Industrial Enterprises

A large number of the industrial enterprises in TransAlta's service area made the following recommendations:

- EEMA transfer payments should be capped at existing levels followed by a phase-out of the transfer payments over a period of time. The time period recommended for phasing out the EEMA transfer payments varied from 2 to 30 years.

- Changes should be made to ensure that the utilities receiving EEMA transfer payments do not have lower electricity rates and/or higher returns on equity, than the utilities contributing to EEMA.

Albchem Industries Limited indicated that EEMA incorrectly uses electricity rates to subsidize development in remote regions. It stated that the source of funds for development in remote regions should come from general revenues and long-term debt financing. Albchem also recommended the following:

- EEMA transfer payments should not apply to off-peak electricity consumers, and an allowance should be made to those industries that operate their facilities at high load factors on an interruptible basis.

- Export credits should be implemented that would neutralize the impact of EEMA on industrial products that must be competitive outside Alberta.

- The City of Edmonton should be removed from EEMA.

Alberta Natural Gas Company Limited (ANG) claimed that its competitive edge in the market place has been eroding since 1982 because of increasing electricity costs due to EEMA, and submitted that EEMA should be abolished. ANG further stated that the PUB hearings associated with EEMA are costly to administer and do not provide an atmosphere for involvement of the general public.

Crestar Energy and Petro-Canada Resources expressed support for the submission from IPCAA. Petro-Canada indicated that it favours a more expedient phase-out of transfer payments than recommended by IPCAA.

Dow Chemical recommended that the large industrial consumer group be removed from the EEMA process so that companies are free to deal directly with their suppliers.

Fleischmann's Yeast Limited, Kawneer Company Canada Limited and Palliser Distillers advocated the elimination of EEMA.

Interprovincial Pipe Line Limited (IPL) supported a thorough review of the program and its appropriate modification or abolition. According to IPL, the fundamental issue is that government policy attempted to use electricity cost equalization to encourage development in areas where that development would otherwise be uneconomic.

Lafarge Canada Incorporated submitted that EEMA is currently negatively impacting competitiveness due to rapidly escalating electricity costs. It suggested that the existing inappropriate mechanism be eliminated or replaced with a process that will not reduce the initiative of Alberta's electric utilities to pursue efficiency.

Lethbridge Iron Works advocated the elimination of EEMA for all future generating capacity built within the province. It stated that the costs of existing generation capacity should continue to be pooled through EEMA.

Sabre Energy Limited supported the abolishment of EEMA, but would not be opposed to limited government support of electricity distribution in remote areas of the province.

Shell Canada Limited suggested that the Panel should make recommendations which will provide financial rewards for efficient utilities to ensure the lowest possible power costs for Alberta consumers and to minimize the cost of EEMA through simplification.

Sherritt Gordon Limited argued that transfer payments between industrial customers encourage uneconomic investment decisions, and unnecessarily intrude into the economic competitiveness of Alberta industry, and should not apply to industrial customers. Sherritt Gordon further argued that the extent to which rates are equalized should be reduced for other rate classes.

Stelco Steel Edmonton Works proposed that EEMA be eliminated and that all regulatory matters be dealt with by only one agency, the PUB.

Others

In most of the submissions received from individuals and associations in the TransAlta service area, there was a general feeling that the EEMA process should be abolished. In the event that it continues, many submissions suggested that EEMA be altered to incorporate mechanisms to limit the perceived benefit that Edmonton Power receives from transfer payments made by TransAlta customers. Some submissions supported TransAlta's view that EEMA is no longer required to average costs for future generation and transmission.

A number of submissions stated that EEMA has added additional cost to electricity used for irrigation. These submissions argued that TransAlta's irrigation rates should be removed from the EEMA averaging process since there are very few comparable customers in Alberta Power's service area.

One submission from an irrigation farmer recommended the elimination of EEMA, or if EEMA is retained, including distribution costs in the EEMA pooling process.

Canada West Ski Areas Association submitted that shielding payments from the Government of Alberta should be reinstated until a more equitable program can be developed to finetune EEMA.

The County of Lacombe expressed support for the EEMA concept but contended that some of the inequities must be addressed. For example, there was concern that rural ratepayers were subsidizing residents of Edmonton.

The County of Lethbridge stated that Alberta's electric utilities should merge or reach an agreement to bring all electric energy producers under one organization.

Energy Consulting, Incorporated submitted that EEMA should either be eliminated or restructured. It stated that it is completely unacceptable that Edmonton should receive a relatively high rate of return when, as a municipal utility, it is not subject to PUB-regulated rates and this rate of return is subsidized by Calgary ratepayers.

The Industrial Association of Southern Alberta recommended that EEMA be dismantled immediately so that electricity suppliers can experience the consequences of inefficiency.

The Municipal District of Rocky View No. 44 supported the submission of the City of Calgary.

The Niton REA argued for the elimination of EEMA and for a return to pre-EEMA competition, on the basis that EEMA does not provide any incentive for efficiency and that it results in rural areas having higher electricity costs than city residents.

OMWUA submitted that if EEMA is retained, then Medicine Hat should be included. It also stated that there should be periodic reviews of EEMA transfer payments.

4.1.4 PROVINCE WIDE

The AAMDC recommended that distribution costs be included in the EEMA pooling process along with generation and transmission costs. The AAMDC argued that this would remove the inequities between urban and rural electricity rates.

AEC submitted that a utility should not benefit from EEMA if its retail electricity rates are lower than the retail electricity rates of the utility providing the EEMA transfer payment.

The Federation of REAs indicated that EEMA does not require major changes since it does not negatively impact Alberta's ability to attract and sustain industrial development.

It stated that the majority of industries locate here because of the existence of resources required for their processes. The Federation contended that EEMA is achieving the purpose for which it was designed and, with some fine tuning, is still the best vehicle to accommodate the rate equalization process. The Federation stated that the EEMA adjustment process could be improved.

Fording Coal Limited argued that the future supply of electricity under EEMA is essential for the orderly development of Alberta's economic future. It stated that EEMA should be maintained and strengthened as a means to ensure a continued competitive approach to providing electricity in the province and an increased role for Independent Power Producers. It suggested a clarification of EEMA's relationship to the ERCB and the PUB.

IPCAA submitted that EEMA should seek to make utilities fully accountable for future spending. It stated that since future generation will, to a significant degree, be provided from cogeneration and non-utility generation, a more competitive market is envisioned which EEMA should be flexible enough to accommodate. It also contended that transfer payments should be capped at current levels and phased out as a plant depreciates; that further reviews of EEMA should be conducted regularly; that subsidies should not be provided for any utility whose customers have lower retail rates than the utility whose customers provide the subsidy; and, that Cities Compensation payments should be subject to review in a public process in the same manner as other EEMA costs are subject to PUB scrutiny.

Unifarm suggested that downstream costs also be included in the EEMA process in order to further minimize rate disparities. It recommended reviewing Ontario's program that reduces rate disparities between the consumers of Ontario Hydro and the municipal utilities. Unifarm also expressed support for the submission from the Federation of REAs.

4.2 VIEWS OF THE PANEL

The Panel agrees with many of those who argued in their submissions that some changes in the EEMA process are required to address the matters identified in Section 3.

The Panel believes that modifications involving the provincial equalization of end use or retail rates, as suggested by some groups, would be unworkable or unacceptable for the reasons noted in Sections 2.2 and 3.2. Further, the Panel notes that as long as retail rates are not equalized, it would be impossible to ensure, without some other modification, that EEMA transfers will always be from those with the lowest retail rates to those with the highest retail rates. The Panel is not attracted to TransAlta's proposed disparity test because it would introduce further complexity and would ultimately infringe on the autonomy of the municipal utilities.

As a basis for assessing the various proposed modifications, estimates were prepared showing wholesale costs for the AIS which incorporated forecast estimates of the new generation and transmission facilities over the period to the year 2000. These various estimates are based on two forecasts, a low case and a mid case, made in 1991 by the EUPC for the growth in demand for electricity in Alberta (Figure 2.1). The Panel expects the 1992 mid EUPC forecast to fall between the 1991 low and mid forecast. The forecast nominal and real generation and transmission costs for the AIS, broken down by the three EEMA consumer groups, are shown in Table 4.1.

The forecast load was then allocated to the three service areas and the forecast wholesale costs were estimated for each service area. The resulting retail rates by utility service area and EEMA transfers were also estimated. Because of the complications involved, the confidence level for the estimated retail rates is lower than for the wholesale rates. The estimates for the mid forecast are summarized in Table 4.2 and those for the low forecast are presented in Table 4.3. *It should be noted that the wholesale rates for the categories other than residential differ among the utilities because of variations in load factors; that is, for equivalent load factors the wholesale costs of electricity are equal.*

The forecast wholesale costs increase by varying amounts depending on the service area, customer category and load forecast, but the average increase for each utility over the period to the year 2000 generally falls in the range of 2 to 2.5 per cent per year. These forecast increases are lower than the assumed annual inflation rate of 3 per cent. As a result, they show a decline in the real cost of electricity.

These tables also show that in its present form, EEMA would result in transfers from TransAlta's service area increasing from $144 million in 1992 to between $255 and $259 million annually by the end of the period. Annual transfers to Alberta Power's service area would increase from $118 million to between $138 and $190 million. Annual transfers to Edmonton Power's service area would rise from $26 million to $92 million, then decrease to $68 million under the mid forecast. Under the low forecast, Edmonton Power's service area would contribute up to $12 million annually to EEMA and then receive a transfer payment of $118 million in the year 2000.

The Panel stresses that the forecasts are based on a number of assumptions and are intended only to provide an indication of the expected trends. For example, the second Genesee unit is assumed to be included in rate base in 1995 under the mid-EUPC forecast and 1999 under the low-EUPC forecast. Examples of other assumptions include the inflation rate (3 per cent), the cost of new facilities, fuel prices and the load growth.

Forecast Generation & Transmission Costs for the AIS

	1992	1994	1996	1998	2000	Average Annual % Increase
1991 EUPC Mid Forecast						
Nominal Costs by EEMA Consumer Group (cents/kWh)						
Residential/Farm	4.66	4.91	5.23	5.29	5.57	2.3%
Large Industrial	3.14	3.45	3.66	3.78	4.01	3.1%
General Service	4.05	4.29	4.52	4.56	4.74	2.0%
Average	3.83	4.08	4.32	4.39	4.60	2.3%
Costs in 1992$ by EEMA Consumer Group (cents/kWh)						
Residential/Farm	4.66	4.63	4.65	4.43	4.40	−0.7%
Large Industrial	3.14	3.26	3.25	3.17	3.17	0.1%
General Service	4.05	4.04	4.01	3.82	3.74	−1.0%
Average	3.83	3.85	3.83	3.67	3.63	−0.7%
1991 EUPC Low Forecast						
Nominal Costs by EEMA Consumer Group (cents/kWh)						
Residential/Farm	4.66	5.03	5.10	5.13	5.64	2.4%
Large Industrial	3.14	3.48	3.57	3.62	3.90	2.8%
General Service	4.05	4.50	4.54	4.56	4.86	2.3%
Average	3.83	4.22	4.29	4.32	4.65	2.5%
Costs in 1992$ by EEMA Consumer Group (cents/kWh)						
Residential/Farm	4.66	4.74	4.53	4.30	4.45	−0.6%
Large Industrial	3.14	3.28	3.17	3.03	3.08	−0.2%
General Service	4.05	4.24	4.03	3.81	3.84	−0.7%
Average	3.83	3.98	3.81	3.62	3.67	−0.5%

The forecasts involve a number of assumptions and are intended to only provide an indication of the expected trends. For example, the second Genesee unit is assumed to be included in rate base in 1995 under the mid EUPC forecast and 1999 under the low-EUPC forecast. Examples of other assumptions include the inflation rate (3 percent), the costs of new facilities, fuel prices and the allocation of load growth among the utilities' service areas.

Source: Alberta Department of Energy

Table 4.2

Forecast Generation & Transmission Costs for Each Utility After Equalization through EEMA

– 1991 EUPC Mid Forecast

	1992	1994	1996	1998	2000	Average Annual % Increase
	(all figures are expressed in nominal terms)					
Wholesale Costs by EEMA Consumer Group (cents/kWh)						
Alberta Power						
Residential/Farm	4.66	4.91	5.23	5.29	5.57	2.3%
Large Industrial	3.27	3.61	3.83	3.95	4.18	3.1%
General Service	3.92	3.76	3.99	4.08	4.26	1.1%
Average	3.75	3.86	4.09	4.18	4.39	2.0%
Edmonton Power						
Residential/Farm	4.66	4.91	5.23	5.29	5.57	2.3%
Large Industrial	3.43	3.53	3.75	3.86	4.10	2.3%
General Service	4.29	4.62	4.88	4.91	5.11	2.2%
Average	4.28	4.57	4.84	4.88	5.10	2.2%
TransAlta						
Residential/Farm	4.66	4.91	5.23	5.29	5.57	2.3%
Large Industrial	3.08	3.40	3.60	3.72	3.94	3.2%
General Service	4.00	4.34	4.57	4.60	4.77	2.2%
Average	3.75	4.05	4.28	4.35	4.55	2.5%

Industrial, General Service and Average wholesale costs among the utilities are not directly comparable on a cents/kWh basis due to variations in load factor.

Retail Rates (cents/kWh)						
Alberta Power						
Residential	9.32	9.85	10.47	10.85	11.48	2.6%
Industrial	3.44	3.79	4.02	4.15	4.40	3.1%
Commercial	6.03	6.00	6.36	6.60	6.94	1.8%
Average	4.87	5.05	5.35	5.51	5.81	2.2%
Edmonton Power						
Residential	7.52	7.94	8.44	8.70	9.19	2.5%
Industrial	3.61	3.73	3.96	4.07	4.33	2.3%
Commercial	6.21	6.67	7.05	7.21	7.55	2.5%
Average	6.11	6.52	6.90	7.07	7.43	2.5%
TransAlta						
Residential	9.32	9.85	10.47	10.85	11.48	2.6%
Industrial	3.24	3.57	3.78	3.91	4.15	3.1%
Commercial	6.16	6.63	6.99	7.18	7.50	2.5%
Average	4.86	5.24	5.54	5.68	5.97	2.6%

The retail electricity rates shown above are not comparable among the utilities due to differences in load factor, rate design, customer mix and customer contribution policies.

Transfers (millions$)					
Alberta Power	($118)	($134)	($133)	($150)	($190)
Edmonton Power	($26)	($19)	($92)	($89)	($68)
TransAlta	$144	$153	$225	$239	$259

The forecasts involve a number of assumptions and are intended to only provide an indication of the expected trends. For example, the second Genesee unit is assumed to be included in rate base in 1995 under the mid-EUPC forecast and 1999 under the low-EUPC forecast. Examples of other assumptions include the inflation rate (3 percent), the costs of new facilities, fuel prices and the allocation of load growth among the utilities' service areas. Representative downstream costs for each customer class were estimated for 1992 and then held constant in real terms over the forecast period.

Source: Alberta Department of Energy

Table 4.3

Forecast Generation & Transmission Costs for Each Utility After Equalization through EEMA

– 1991 EUPC Low Forecast

	1992	1994	1996	1998	2000	Average Annual % Increase
	(all figures are expressed in nominal terms)					
Wholesale Costs by EEMA Consumer Group (cents/kWh)						
Alberta Power						
Residential/Farm	4.66	5.03	5.10	5.13	5.64	2.4%
Large Industrial	3.27	3.59	3.69	3.73	4.03	2.6%
General Service	3.92	4.33	4.40	4.43	4.72	2.3%
Average	3.75	4.11	4.19	4.23	4.55	2.4%
Edmonton Power						
Residential/Farm	4.66	5.03	5.10	5.13	5.64	2.4%
Large Industrial	3.43	3.62	3.68	3.74	4.04	2.1%
General Service	4.29	4.76	4.81	4.83	5.20	2.4%
Average	4.28	4.70	4.75	4.78	5.17	2.4%
TransAlta						
Residential/Farm	4.66	5.03	5.10	5.13	5.64	2.4%
Large Industrial	3.08	3.43	3.52	3.57	3.84	2.8%
General Service	4.00	4.45	4.48	4.49	4.78	2.2%
Average	3.75	4.14	4.20	4.24	4.56	2.5%

Industrial, General Service and Average wholesale costs among the utilities are not directly comparable on a cents/kWh basis due to variations in load factor.

Retail Rates (cents/kWh)						
Alberta Power						
Residential	9.32	9.98	10.35	10.69	11.54	2.7%
Industrial	3.44	3.78	3.88	3.94	4.25	2.7%
Commercial	6.03	6.57	6.77	6.95	7.39	2.6%
Average	4.87	5.30	5.45	5.56	5.97	2.6%
Edmonton Power						
Residential	7.52	8.06	8.32	8.54	9.26	2.6%
Industrial	3.61	3.81	3.88	3.95	4.27	2.1%
Commercial	6.21	6.81	6.98	7.13	7.64	2.6%
Average	6.11	6.64	6.82	6.97	7.50	2.6%
TransAlta						
Residential	9.32	9.98	10.35	10.69	11.54	2.7%
Industrial	3.24	3.60	3.70	3.76	4.05	2.8%
Commercial	6.16	6.74	6.90	7.06	7.51	2.5%
Average	4.86	5.33	5.46	5.57	5.97	2.6%

The retail electricity rates shown above are not comparable among the utilities due to differences in load factor, rate design, customer mix and customer contribution policies.

Transfers (millions$)					
Alberta Power	($118)	($139)	($155)	($160)	($138)
Edmonton Power	($26)	$1	$12	$10	($118)
TransAlta	$144	$137	$143	$150	$255

The forecasts involve a number of assumptions and are intended to only provide an indication of the expected trends. For example, the second Genesee unit is assumed to be included in rate base in 1995 under the mid EUPC forecast and 1999 under the low-EUPC forecast. Examples of other assumptions include the inflation rate (3 percent), the costs of new facilities, fuel prices and the allocation of load growth among the utilities' service areas. Representative downstream costs for each customer class were estimated for 1992 and then held constant in real terms over the forecast period.

Source: Alberta Department of Energy

The Panel examined the implications of various proposals using the Department of Energy's model and the base case outlined above. These included the various versions of "capping" proposed by TransAlta, the City of Calgary and IPCAA.

The Panel agrees that each of these approaches has some desirable features. For example, as noted earlier, there are unlikely to be any additional large-scale generating units over the next decade beyond the units already approved. Consequently, EEMA is not required specifically to accommodate new capacity. However, based on its evaluations, the Panel cannot accept that any of the proposed approaches would be the best way of alleviating the concerns of the existing program, as outlined in Section 3, while still ensuring that rate disparities do not reach unacceptable levels. With a number of these proposals, the rate disparities between TransAlta and Alberta Power and between TransAlta and Edmonton Power would grow quite rapidly.

The Panel also examined the various proposals for disparity tests, safety nets and periodic reviews that were suggested as a means of correcting any significant disparities that may arise. In most cases, these modifications would add considerable complexity, cost and unpredictability.

While the Panel accepts that the phase-out of EEMA might increase accountability under certain circumstances, it is of the view that the greatest potential for efficiency gains is through general modifications to the overall regulatory system rather than through EEMA. As noted in Section 5, these general regulatory modifications might broaden the planning process, place greater reliance on contractual relationships, allow for a "competitive fringe" in the generation of electricity and involve new types of incentive regulation.

Other alternatives to the current EEMA process examined by the Panel included various combinations of government contributions out of general revenues and levies on nameplate generating capacity to finance the differences in generation and transmission costs, and the reinstatement of the provincial income tax rebates. These were eventually excluded because of the ramifications for rate disparities, the additional burdens on taxpayers, the administrative complexities and the effects on incentives.

After evaluating many options and combinations, the Panel believes the best approach involves the following elements. The first entails an approach to equalization of wholesale costs, but not full equalization. Specifically, the Panel recommends that:

> *The EEMA pricing formula should be adjusted so that a utility would receive transfer payments only when its PUB-approved generation and transmission costs exceed the average of such costs by 6 per cent or more. The transfers, when made, would be limited to those necessary to reduce the utilities' generation and transmission costs to 6 per cent above the average.*

The Panel believes the main advantages associated with this partial equalization approach include the following:

- Prevent the development of unacceptable retail rate disparities.
- Recognize the unfairness of making substantial changes in electricity rates through policy changes after investments are made.
- To a degree, address the perception problem of transfers made from areas with higher retail rates to those with lower retail rates.
- Maintain the ability to use EEMA as a vehicle to equalize tax costs, import costs, export benefits and any future costs related to province-wide environmental or other such programs.
- Be simple and inexpensive to administer.
- Results would be predictable.

The disparities caused by the exemption of the municipally owned utilities from Provincial and Federal income taxes is a matter of concern to the consumers in the service areas of the investor-owned utilities. Further, unequal tax treatment violates fairness principles, distorts investment decisions, and may impair the development of private alternatives such as non-utility generation in meeting future requirements.

While the current equalization program spreads the provincial income taxes and the non-rebated portion of the federal income taxes on generation and transmission earnings to all utilities and customers, the taxes borne by the shareholder-owned distribution systems are not equalized. The Panel believes that all provincial and non-rebated federal income taxes should be shared and recommends that:

> *All provincial and non-rebated federal income taxes related to generation, transmission and distribution activities of the investor-owned utilities be fully equalized through the EEMA process.*

The impact of this proposal is rather minor, both on the total amount of the transfers and on wholesale and retail rates. Nevertheless, it is important from the viewpoint of perceived fairness.

It is the view of the Panel that the costs and benefits arising from electricity imports and/or exports should be shared fairly by all Alberta electricity consumers. Specifically, the Panel recommends that:

> *All costs and revenues related to electricity imports to, and exports from, the AIS be pooled and fully equalized through the EEMA process.*

The estimated effect of the three previous recommendations is shown in Table 4.4 for the EUPC mid forecast and in Table 4.5 for the low forecast. Comparing these results with those in Tables 4.2 and 4.3 shows that the impact on wholesale and retail rates is

relatively modest. Under the mid forecast, there would a decrease in retail rates in the order of one-seventh of a cent/kWh in the case of TransAlta customers, and an increase in the order of one-fifth of a cent/kWh for Alberta Power and one-third of a cent/kWh for Edmonton Power customers. The impact is similar under the low forecast with the exception that there would be very little change in Edmonton Power's rates from 1995 to 1998.

In the mid forecast case, the annual transfers by TransAlta's service area would decrease by an average of $44 million over the period to the year 2000, and by an average of $33 million in the low case. The transfers to Alberta Power's service area would decline by an average of $19 million in the mid case and $17 million in the low case. The average reduction in the transfers to Edmonton Power's service area is between $16 million and $25 million, depending on the case.

The Panel has a number of other recommendations which cannot be illustrated in quantitative terms, but which it believes would bring further benefits to Alberta. These recommendations are listed below.

It is the view of the Panel that capping the federal income tax rebates clearly discriminates against Albertans and that fairness would dictate the full reinstatement of the rebates. The Panel recommends that:

> *The Government of Alberta continue to request the federal government to remove the capping of the federal income tax rebate since it discriminates against Albertans.*

The Panel recognizes that in the future there may be mandated programs relating to the environment or other matters which are for the benefit of the province, that could result in substantial costs to one or more of the utilities. The Panel recommends that:

> *Costs imposed upon any of the utilities by new, province-wide, government-imposed programs, such as those for environmental purposes, and costs of other programs at the discretion of the Minister of Energy, should be pooled and fully equalized through the EEMA process.*

The Panel notes several modifications suggested in the written submissions to fine-tune the existing EEMA program. These include placing Cities Compensation[8] under the jurisdiction of the PUB, moving to one consumer group and re-evaluating the EEMA adjustment process. The Panel recommends that:

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[8] The Cities of Calgary, Red Deer and Lethbridge own transmission facilities with a current annual cost of service of approximately $34 million. Since these costs are not under the jurisdiction of the PUB, they are reviewed by the Department of Energy. Payments for these transmission facilities are made to the Cities of Calgary, Red Deer and Lethbridge so that the costs can be included in the EEMA pooling process.

Table 4.4

Forecast Generation & Transmission Costs After Implementation of the Panel's Recommendations

– 1991 EUPC Mid Forecast

	1992	1994	1996	1998	2000	Average Annual % Increase
	(all figures are expressed in nominal terms)					
Wholesale Costs by EEMA Consumer Group (cents/kWh)						
Alberta Power						
Residential/Farm	4.66	5.19	5.53	5.59	5.89	3.0%
Large Industrial	3.27	3.81	4.05	4.17	4.42	3.8%
General Service	3.92	3.99	4.23	4.32	4.52	1.8%
Average	3.75	4.08	4.33	4.42	4.65	2.7%
Edmonton Power						
Residential/Farm	4.66	5.19	5.53	5.59	5.89	3.0%
Large Industrial	3.43	3.73	3.97	4.08	4.34	3.0%
General Service	4.29	4.88	5.15	5.19	5.40	2.9%
Average	4.28	4.83	5.11	5.16	5.39	2.9%
TransAlta						
Residential/Farm	4.66	4.75	5.06	5.12	5.40	1.9%
Large Industrial	3.08	3.31	3.51	3.63	3.84	2.8%
General Service	4.00	4.17	4.39	4.42	4.58	1.7%
Average	3.75	3.92	4.14	4.20	4.40	2.0%

Industrial, General Service and Average wholesale costs among the utilities are not directly comparable on a cents/kWh basis due to variations in load factor.

Retail Rates (cents/kWh)						
Alberta Power						
Residential	9.32	10.02	10.64	11.00	11.62	2.8%
Industrial	3.44	3.99	4.23	4.37	4.63	3.8%
Commercial	6.03	6.18	6.56	6.79	7.13	2.1%
Average	4.87	5.24	5.55	5.71	6.01	2.7%
Edmonton Power						
Residential	7.52	8.33	8.87	9.16	9.69	3.2%
Industrial	3.61	3.94	4.18	4.31	4.58	3.0%
Commercial	6.21	7.00	7.41	7.59	7.96	3.1%
Average	6.11	6.85	7.26	7.45	7.84	3.2%
TransAlta						
Residential	9.32	9.68	10.29	10.67	11.28	2.4%
Industrial	3.24	3.49	3.69	3.82	4.05	2.8%
Commercial	6.16	6.45	6.80	6.98	7.30	2.1%
Average	4.86	5.10	5.39	5.53	5.81	2.2%

The retail electricity rates shown above are not comparable among the utilities due to differences in load factor, rate design, customer mix and customer contribution policies.

Transfers (millions$)					
Alberta Power	($118)	($118)	($114)	($130)	($168)
Edmonton Power	($26)	$2	($68)	($63)	($39)
TransAlta	$144	$116	$182	$193	$207

The forecasts involve a number of assumptions and are intended to only provide an indication of the expected trends. For example, the second Genesee unit is assumed to be included in rate base in 1995 under the mid EUPC forecast and 1999 under the low EUPC forecast. Examples of other assumptions include the inflation rate (3 percent), the costs of new facilities, fuel prices and the allocation of load growth among the utilities' service areas. Representative downstream costs for each customer class were estimated for 1992 and then held constant in real terms over the forecast period.

Source: Alberta Department of Energy

Table 4.5

Forecast Generation & Transmission Costs After Implementation of the Panel's Recommendations

– 1991 EUPC Low Forecast

	1992	1994	1996	1998	2000	Average Annual % Increase
	(all figures are expressed in nominal terms)					
Wholesale Costs by EEMA Consumer Group (cents/kWh)						
Alberta Power						
Residential/Farm	4.66	5.32	5.39	5.42	5.96	3.1%
Large Industrial	3.27	3.80	3.90	3.95	4.26	3.4%
General Service	3.92	4.58	4.65	4.69	4.99	3.1%
Average	3.75	4.34	4.43	4.47	4.82	3.2%
Edmonton Power						
Residential/Farm	4.66	5.28	5.16	5.19	5.96	3.1%
Large Industrial	3.43	3.79	3.72	3.78	4.28	2.8%
General Service	4.29	4.99	4.86	4.88	5.49	3.1%
Average	4.28	4.93	4.80	4.83	5.47	3.1%
TransAlta						
Residential/Farm	4.66	4.89	5.01	5.04	5.46	2.0%
Large Industrial	3.08	3.35	3.44	3.49	3.75	2.5%
General Service	4.00	4.28	4.38	4.39	4.58	1.7%
Average	3.75	4.01	4.12	4.15	4.40	2.0%

Industrial, General Service and Average wholesale costs among the utilities are not directly comparable on a cents/kWh basis due to variations in load factor.

Retail Rates (cents/kWh)						
Alberta Power						
Residential	9.32	10.18	10.54	10.88	11.75	2.9%
Industrial	3.44	3.98	4.09	4.15	4.47	3.3%
Commercial	6.03	6.79	6.99	7.16	7.62	3.0%
Average	4.87	5.51	5.66	5.77	6.20	3.1%
Edmonton Power						
Residential	7.52	8.41	8.49	8.73	9.73	3.3%
Industrial	3.61	3.99	3.93	4.01	4.52	2.8%
Commercial	6.21	7.10	7.11	7.27	8.04	3.3%
Average	6.11	6.94	6.95	7.11	7.90	3.3%
TransAlta						
Residential	9.32	9.81	10.24	10.58	11.33	2.5%
Industrial	3.24	3.52	3.63	3.68	3.95	2.5%
Commercial	6.16	6.56	6.79	6.95	7.29	2.1%
Average	4.86	5.19	5.37	5.47	5.81	2.2%

The retail electricity rates shown above are not comparable among the utilities due to differences in load factor, rate design, customer mix and customer contribution policies.

Transfers (millions$)					
Alberta Power	($118)	($122)	($138)	($143)	($119)
Edmonton Power	($26)	$20	$20	$20	($90)
TransAlta	$144	$102	$118	$123	$209

The forecasts involve a number of assumptions and are intended to only provide an indication of the expected trends. For example, the second Genesee unit is assumed to be included in rate base in 1995 under the mid EUPC forecast and 1999 under the low EUPC forecast. Examples of other assumptions include the inflation rate (3 percent), the costs of new facilities, fuel prices and the allocation of load growth among the utilities' service areas. Representative downstream costs for each customer class were estimated for 1992 and then held constant in real terms over the forecast period.

Source: Alberta Department of Energy

The Department of Energy review and determine the merits of these suggestions to fine-tune the EEMA process.

As noted previously, enhanced efficiency is a very important objective for the years ahead. A key element concerns the selection and timing of facilities, and the use of Demand Side Management initiatives so that overall system costs are minimized. Many of these decisions are reviewed by the ERCB and PUB and are therefore somewhat peripheral to the operation of EEMA. As such, the Panel recommends that:

The Department of Energy, in its review of the regulation of the electric energy industry, should give consideration to the observations of the Panel given in Section 5 of this report.

The Panel believes that greater efforts could be made by the utilities to reduce the rate disparities between the municipal and investor-owned utilities. As shown in the "Historical Comparison of Retail Electricity Bills in Alberta," prepared by the Electricity Retail Bill Comparisons Technical Committee, residential electricity bills for the municipal utilities are lower than those for the investor-owned utilities, and the general service electricity bills are, on average, higher. The City of Edmonton indicated during the EEMA Review Hearings that it is taking steps to reduce the rate disparities. The Panel recommends that:

Alberta's electric utilities should place greater emphasis on reducing retail rate disparities among the utilities when setting their electricity rates.

There is the potential for significant changes in the structure and functioning of Alberta's electric industry as a result of the technological and economic factors noted previously, and as a result of probable changes in the regulatory system subsequent to the *review* currently being undertaken by the Department of Energy. Many of the implications of these and other changes might not be presently foreseeable, and will only become clear after some period of time. For this reason, the Panel recommends that:

The appropriateness and functioning of EEMA be reviewed as warranted by substantive changes in the regulatory system, structure of the industry, or related government policies, but at least within the next 10 years.

5. OTHER ISSUES

5.1 VIEWS OF THOSE MAKING SUBMISSIONS

5.1.1 ALBERTA POWER SERVICE AREA

Utilities

Alberta Power stated that many of the issues raised regarding EEMA, including the effects on accountability, the planning of future facilities, and the incorporating of the most effective options, are associated with the entire regulatory structure of the electric industry in Alberta rather than just EEMA.

Alberta Power argued that the regulatory framework in Alberta should satisfy four requirements:

- Equal access to electricity at equivalent cost.
- Responsible, competitive development of the facilities needed to meet customer demand.
- Integrated planning and operation of Alberta's system.
- Integrated and effective regulation.

Alberta Power recommended the creation of a small non-profit "service company" that would be responsible for planning, contracting the purchase of wholesale power and supply of power under EEMA, and coordinating the economic dispatch on the system. The owners of generation and transmission facilities would negotiate cost-of-service contracts with the service company to supply capacity to the grid. New generation would be determined through competitive contracts. Wholesale customers would purchase electricity at a price similar to the current cost out of EEMA.

Cities and Towns

The Town of Slave Lake submitted that there is a need to avoid excess power generating capacity being built. This could be accomplished by having the ERCB carefully scrutinize proposed new power developments. It stated that economies of scale in power generation should be sought by utilizing partnership arrangements between power companies.

Industrial Enterprises

Canadian Hunter suggested that regulators should examine the possibility of incentive regulation for utilities, whereby motivation for improved utility performance is established in a way that leads to benefits for both shareholders and ratepayers. Canadian Hunter also submitted that there should be more focus on the overall level of costs, particularly the utilities' rate of return on equity, rather than on the distribution of costs.

Daishowa Canada submitted that excess generating capacity from resource-based industry should play a significant role in meeting Alberta's future electricity requirements.

Others

The Action North Committee submitted that Alberta's electric utilities earn an excessive return on equity, and that natural gas turbines and wind turbines should be considered for Alberta's future generating capacity.

The Joint Municipal Intervention submitted that applications for new generating plants should be subject to joint review and recommendations of the ERCB and PUB, and in the interest of economic supply, new participants should be encouraged to apply to construct any additional plants required. It stated that cogeneration should be encouraged but not subsidized by Alberta taxpayers, and that a clear strategy regarding industries that use large quantities of electricity needs to be enunciated by the Government of Alberta. It also advocated that in order to minimize sharp rate increases that occur when new generation is commissioned, construction work in progress should be permitted in the rate base, provided that new generation plants are subjected to joint ERCB/PUB review.

NADC stated that the province should undertake a comprehensive evaluation of the electric energy system before significant changes are made to EEMA. It also recommended that province-wide systems planning be conducted by the utilities and that market-oriented mechanisms be developed to ensure that each utility is fully accountable.

The Peace River Board of Trade suggested that it is timely to review the entire industry to determine if the structure provides for the lowest possible electricity costs.

The Silver Valley REA and Spirit River School Division No. 47 suggested that Alberta's electric utilities be limited to providing either generation, transmission or distribution service in order to increase competition.

5.1.2 EDMONTON POWER SERVICE AREA

City of Edmonton

The City of Edmonton suggested that the Government of Alberta should consider creating a separate electric transmission company. The company, as proposed by the City of Edmonton, would purchase electricity from the existing generating units and then sell this electricity to the distribution systems. Additional generating capacity would be acquired on competitive basis. The Government of Alberta would initially purchase the transmission facilities in Alberta, then privatize the shares at a later date. The owners of the generation and distribution facilities, however, would not be allowed to own shares.

The City of Edmonton outlined a number of benefits to this approach, including increased competition between the utilities to supply electricity and reduced barriers to non-utility generators.

Others

The Edmonton Chamber of Commerce stated that the Government of Alberta should encourage as much competition as possible in Alberta's electric industry.

5.1.3 TRANSALTA SERVICE AREA

Utilities

TransAlta and the City of Calgary did not provide any views on other issues in their submissions. However, during the public hearings TransAlta indicated that it is currently in the process of reviewing the evolving competitive market for generation in Alberta. TransAlta is proposing a PUB hearing to review matters such as transmission access, unbundling of electric services and various standby electricity rates.

The City of Lethbridge stated that the "Alberta Hydro" option would be an acceptable structure since it would reduce overall costs due to the lower rate of return. Under this option, the Government of Alberta would control all generation and transmission in Alberta, similar to the Crown-owned electric utilities in other provinces. However, the City of Lethbridge would prefer a competitive system with multiple buyers and sellers which would open up transmission to common carrier status.

The City of Red Deer stated that there may be some efficiencies to be gained through a merger of the generation and transmission utilities. This could be through common management, engineering and operation, or through one utility buying out the others.

Cities and Towns

The majority of the cities and towns in TransAlta's service area did not directly address other issues.

The Town of Hinton recommended that the viability of new power projects be proven before they receive approval for construction.

Industrial Enterprises

DuPont Canada Incorporated submitted that Alberta needs a process that rewards the electric utilities for providing electricity at rates that are competitive with the rest of the world.

Imperial Oil, Amoco Canada and others contended that a regulatory framework for Alberta's electric industry, that rewards utility efficiency and ensures fair competition, is more consistent with the realities of the marketplace.

Millar Western recommended separate electricity rates for generation, transmission and standby electricity, to encourage industrial consumers to make the best decisions regarding electricity supply.

Renaissance Energy Limited submitted that electricity consumers should be allowed to purchase electricity from the utility of their choice.

Stelco Steel recommended deregulating Alberta's electric industry to allow industrial customers to negotiate directly with any electricity suppliers. It also recommended that a tariff system, similar to that of gas transmission, be developed to move electricity to the industrial customers.

Weldwood stated that a synergy has to be established between the ERCB, PUB and EEMA. For example, Weldwood stated the PUB has to apply criteria that is established by the other regulatory bodies or agencies, such as the reliability criteria set by the EUPC.

Others

The Alberta Irrigation Projects Association (AIPA) indicated that from 1982 to 1986, TransAlta encouraged electric irrigation since the summer demand would be off-peak and therefore not require new generation and transmission facilities. AIPA stated that during this period the irrigation farmers invested in electric irrigation equipment and TransAlta invested in new distribution facilities. By 1990, however, there was a change in the method of allocating generation and transmission costs which resulted in large increases to the irrigation rates. AIPA suggested that irrigation rates may increase up to 70 per cent as a result of recent regulatory decisions.

An individual irrigation farmer also expressed concern over the change in the method of allocating generation and transmission costs and the resulting impact on irrigation rates. He recommended that irrigation rates be restructured to reduce the impact. He also suggested reinstatement of the provincial income tax rebate.

The Canadian Institute of Resources Law argued that EEMA should be reviewed only in its wider energy and social context. It suggested that the electric industry of the future include more decentralization and small-scale generation that is supportive of a sustainable energy policy. It argued that decentralized systems tend to be more resilient and allow for the use of more smaller scale generation sources which, in turn, lead to the use of more renewable, environmentally benign, resources.

Improvement District No. 20 argued that the problems with Alberta's electric industry are largely due to the approval of excess generating capacity.

The Industrial Associations of Southern Alberta and the Palliser Distillers proposed a more competitive system in which electric generating facilities supply electricity on a least cost basis. They also stated that suppliers of electricity should be compensated only for generating capacity that was fully utilized.

The Municipal District of Clearwater suggested expanding the role of EEMA to include the monitoring of Alberta's electric system in order to ensure that the utility companies are efficient. If a utility company did not cooperate in pursuing efficiency, its service area could be reduced or eliminated and given to a more cooperative company.

A resident of the City of Red Deer submitted that the utilities should raise electricity prices to more accurately reflect the environmental costs associated with electricity generation. She stated that utilities should also become more involved in the retail business of supplying energy saving fixtures and appliances. She observed that the State of California has been exploring conservation incentive programs which operate for the benefit of both the public and energy suppliers.

5.1.4 PROVINCE WIDE

The ACC and Proctor & Gamble Cellulose, submitted that EEMA should become the mechanism for creating a free market for power production which responds to Alberta's overall energy and environmental needs in a way that reduces regional rate disparities. It suggested that a legislated negotiation process should be established to give all affected parties the right and the means to reach a consensus on new EEMA legislation.

AEC submitted that it is necessary to address the broader issue of the future structure of the provincial electric power industry. It recommended the encouragement of

competitive bidding for electric power contracts supported by a regulated transmission system. It envisioned the establishment of a production and distribution system similar to that which currently exists for natural gas. AEC also recommended that a utility adding new generating facilities be required to have the market within its service area or firm contracts with other utilities or their customers.

The Alberta Federation of REAs argued that the allocation of costs out of EEMA to the respective rate classes affects rate equalization since TransAlta and Alberta Power have different customer mixes. The Federation argued that the current method is working and is concerned over TransAlta's proposal to change the current method of allocation. The Federation also proposed that the allocation of the income tax rebate to customer classes be placed under the jurisdiction of the PUB.

Fording Coal recommended legislative recognition of one-system planning and economic dispatch of the AIS to ensure these principles are followed in the future.

IPCAA contended that the survival and prosperity of Alberta's electricity intensive industries depend on the encouragement of competitive supply. It also advocated comprehensive resource planning and regulatory reform for the Alberta electric system.

The Western Wind Industry Network of Canada (WWINC) submitted that the mandate of EEMA should be expanded to include the load forecasting and system dispatch on the AIS; determining wheeling rates; providing project financing; and, authorizing the construction of transmission facilities. WWINC also recommended the following:

- The current regulatory process should be streamlined to combine EEMA and rate application hearings.

- Environmental costs should be identified and included in electricity rates.

5.2 VIEWS OF THE PANEL

The Panel notes that these issues are not directly related to its terms of reference and that several of them are being addressed in the *Review of the Regulatory Framework for the Electric Industry*, currently underway by the Alberta Department of Energy. It is the Panel's understanding that the Department of Energy's regulatory review is dealing with a number of issues, including the planning process in Alberta, plant ownership and contracts, the mandates of the ERCB and PUB, incentive regulation, competition in providing new supply, conservation options, and industry structure. Accordingly, the Panel believes it is more appropriate to comment on these issues rather than to make specific recommendations.

The Panel agrees that one-system planning and the economic dispatch of electricity in Alberta have reduced the overall costs of electricity in the province. The Panel endorses these concepts and believes that they should continue to be pursued in the future. Additionally, the Panel believes there could be merit in a number of other actions and refers them to the Department's regulatory review for further consideration. They include the following:

- Facilitating greater involvement of interested parties in the utilities' process of load forecasting. This may reduce the risk of forecast error.

- Undertaking on a province-wide basis a comprehensive resource planning process that integrates the potential supply from the utilities, non-utility generators and imports. The Panel believes there may be significant economic capacity potential from non-utility generation.

- Devising appropriate incentives and regulations to encourage the utilities to maximize the economic potential for Demand Side Management. While the industry is to be commended for recent programs to assist consumers in saving energy, a number of additional suggestions for implementing DSM initiatives were received by the Panel.

- Providing closer integration of the regulatory processes of the ERCB and the PUB to ensure that consistent criteria are applied in approving the timing of new plants and cost recovery.

- Providing a competitive bidding mechanism to determine which facilities are added to meet or reduce load requirements.

- Facilitating contract arrangements between potential suppliers and distributors/consumers prior to approval of new generating facilities.

- Providing access to Alberta's electric transmission system for non-utility generators. This would increase competition to supply wholesale electricity to both the Alberta and export markets.

- Considering alternatives to address the concerns of the irrigation farmers. The Panel believes the situation of the irrigation farmers, as a result of recent regulatory decisions, is similar to the unfairness discussed in Section 3.2 concerning historical investment decisions.

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Appendix

LIST OF REGISTRANTS AND SUBMISSIONS RECEIVED FROM NON-REGISTRANTS

	Organization	Representative or Individual	Title	Address	Hearing Location
A 1	City of Red Deer	Al Roth	Manager Electric Light and Power	Red Deer, Alberta	Edmonton
A 2	City of Calgary	His Worship Al Duerr		Calgary, Alberta	All Locations
A 3	TransAlta Utilities	TBA		Calgary, Alberta	All Locations
A 4	Edmonton Power	TBA		Edmonton, Alberta	All Locations
A 5	Alberta Power Ltd.	TBA		Edmonton, Alberta	All Locations
A 6	City of Lethbridge	Douglas S. Hudson	City Solicitor	Lethbridge, Alberta	Lethbridge
A 7	Town of Fort Macleod Electric Utility			Fort Macleod, Alberta	Lethbridge
B 8	Village of Delburne	His Worship J.B.Christensen	Mayor	Delburne, Alberta	
B 9	Village of Cereal	Her Worship Elaine Michaels	Mayor	Cereal, Alberta	
B 10	Village of Carbon	His Worship Leo L. Ohlauser	Mayor	Carbon, Alberta	
B 11	City of Spruce Grove	His Worship Bill Steinburg	Mayor	Spruce Grove, Alberta	
B 12	Municipal District of Acadia #34	Gordon Hittel	Reeve	Acadia Valley, Alberta	
B 13	City of Airdrie	Julian de Cocq	Manager, Corporate Services	Airdrie, Alberta	
B 14	Village of Alliance	Sylvia Wold	Deputy Mayor	Alliance, Alberta	
B 15	Whitefish Lake Band	Robert Grey	Chief	Atikameg, Alberta	Grande Prairie
B 16	Town of Barrhead	His Worship Wm. Stutchbury	Mayor	Barrhead, Alberta	
B 17	County of Barrhead No. 11	George Visser	Reeve	Barrhead, Alberta	Edmonton
B 18	Town of Bashaw	His Worship John Gust	Mayor	Bashaw, Alberta	Edmonton
B 19	Town of Beaumont	His Worship Ken Kobly	Mayor	Beaumont, Alberta	
B 20	Municipal District of Peace No. 135	Ms. Starr Bulmer	Reeve	Berwyn, Alberta	Grande Prairie
B 21	Town of Peace River	His Worship M. Procter	Mayor	Berwyn, Alberta	Grande Prairie
B 22	Village of Big Valley	Rick Kargaard	Mayor	Big Valley, Alberta	
B 23	Town of Black Diamond			Black Diamond, Alberta	Calgary

	Organization	Representative or Individual	Title	Address	Hearing Location
B 24	Municipal District of Bonnyville No. 87	R. A. Doonanco	Municipal Manager	Bonnyville, Alberta	
B 25	Town of Bonnyville	Tracy Gauthier	Municipal Intern	Bonnyville, Alberta	
B 26	Village of Botha	His Worship Rolf Sabbe	Mayor	Botha, Alberta	
B 27	Town of Bow Island	His Worship Ralph Bateman	Mayor	Bow Island, Alberta	
B 28	Town of Boyle	Gordon K. Holmes	Municipal Administrator	Boyle, Alberta	
B 29	Village of Breton	Her Worship Colleen Lee	Mayor	Breton, Alberta	
B 30	Town of Brooks	Kevin Bridges	Town Manager	Brooks, Alberta	
B 31	Town of Bruderheim	Her Worship Pat Kroker	Mayor	Bruderheim, Alberta	Edmonton
B 32	County of Camrose #22	Brian D. Austrom		Camrose, Alberta	Edmonton
B 33	City of Camrose	Gary Gibeault	City Manager	Camrose, Alberta	Edmonton
B 35	Town of Cardston	Mr.Greg D. Burt	Municipal Administrator	Cardston, Alberta	Lethbridge
B 36	Municipal District of Cardston No. 6	Broyce Jacobs	Reeve	Cardston, Alberta	Lethbridge
B 37	County of Paintearth No. 18	Lloyd A. Brattly	Secretary-Treasurer	Castor, Alberta	
B 38	Town of Castor	Mr. Michael Yakielashek	Administrator	Castor, Alberta	Edmonton
B 39	Town of Claresholm	His Worship E.R. Patterson	Mayor	Claresholm, Alberta	Lethbridge
B 40	Village of Coalhurst	His Worship Gerry Fielder	Mayor	Coalhurst, Alberta	
B 41	Town of Cochrane	His Worship V. R. Friesen	Mayor	Cochrane, Alberta	Calgary
B 42	Town of Cochrane	Martin J. Schmithe	Manager	Cochrane, Alberta	Calgary
B 43	Village of Consort	Jack P. Trieber		Consort, Alberta	
B 44	Town of Coronation			Coronation, Alberta	
B 45	Village of Delburne	Delburne Village Council		Delburne, Alberta	
B 46	Village of Delia	E. Nielson		Delia, Alberta	
B 47	Town of Devon	His Worship J.D. Henderson	Mayor	Devon, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
B 48	Village of Dewberry			Dewberry, Alberta	
B 49	Town of Didsbury	E. M. Storey	Chief Administrative Officer	Didsbury, Alberta	Calgary
B 50	Village of Donalda	His Worship R.E. Conibear	Mayor	Donalda, Alberta	
B 51	Village of Donnelly	Denis Maisonneuve	Village Administrator	Donnelly, Alberta	Grande Prairie
B 52	Municipal District of Badlands No. 7	Des Broadhurst		Drumheller, Alberta	Edmonton and/or Calgary
B 53	Municipal District of Cypress #1	Mr.Lutz Perschon	Manager	Dunmore, Alberta	Lethbridge
B 54	Village of Eaglesham	James Stoneouse		Eaglesham, Alberta	
B 55	Town of Eckville	Her Worship Helen Posti	Mayor	Eckville, Alberta	
B 56	Metis Settlements General Council	Ken Noskey	President	Edmonton, Alberta	Grande Prairie a/o Edmonton
B 57	Metis Nation of Alberta Association	Gerald Thom	Vice-President, Zone 1	Edmonton, Alberta	
B 58	Town of Edson	His Worship Ivan Strang	Mayor	Edson, Alberta	Edmonton
B 60	Town of Elk Point	His Worship B. Kleeberger	Mayor	Elk Point, Alberta	
B 61	Village of Elnora	Her Worship Gwen Kidd	Mayor	Elnora, Alberta	Calgary
B 62	Sucker Creek Indian Band	Chief Jim Badger		Enilda, Alberta	Grande Prairie
B 63	Pratt's Porkers	R. N. & R. Pratt		Esther, Alberta	
B 66	Municipal District of Fairview #136	Jim Kincaid	Secretary-Treasurer	Fairview, Alberta	
B 67	Town of Fairview	His Worship Rick Nicholson	Mayor	Fairview, Alberta	Grande Prairie
B 68	Town of Falher	Gerard A. Nicolet	Municipal Administrator	Falher, Alberta	Grande Prairie
B 69	Municipal District of Smoky River #130	L. G. Turcotte		Falher, Alberta	
B 70	Fishing Lake Metis Settlement	Arlene Calliou	Economic Development Officer	Fishing Lake, Alberta	
B 71	Village of Foremost	His Worship Felix Ott	Mayor	Foremost, Alberta	
B 72	County of Forty Mile, No. 8	Mr.Edward Torsher	Reeve	Foremost, Alberta	Lethbridge
B 73	Village of Forestburg	His Worship Eldon Oberg	Mayor	Forestburg, Alberta	Edmonton

	Organization	Representative or Individual	Title	Address	Hearing Location
B 74	Improvement District No. 18 North	Emile Girard		Fort Chipewyan, Alberta	Fort McMurray
B 75	City of Fort McMurray	R.I.C. (Ian) Dirom		Fort McMurray, Alberta	Fort McMurray
B 76	Fort McKay Indian Band	Chief Dorothy McDonald		Fort McMurray, Alberta	Fort McMurray
B 77	I.D. No. 18 North (Fort McMurray)	Joan Tornberg		Fort McMurray, Alberta	Fort McMurray
B 78	City of Fort Saskatchewan	Greg Scerbak		Fort Saskatchewan, Alberta	
B 79	Town of Fox Creek	Blaine Alexander	Town Manager	Fox Creek, Alberta	
B 80	Frog Lake First Nations	Chief Thomas Abraham		Frog Lake, Alberta	
B 81	Village of Galahad	His Worship Frank Herle	Mayor	Galahad, Alberta	
B 82	Town of Gibbons	His Worship William Nimmo	Mayor	Gibbons, Alberta	
B 83	Gift Lake Metis Settlement	Allan Lamouche	Chairman	Gift Lake, Alberta	
B 84	Town of Grand Centre	Mark Power	Manager	Grand Centre, Alberta	Edmonton
B 85	Elizabeth Metis Settlement	Ambrose Lepine	Chairman	Grande Centre, Alberta	
B 86	City of Grande Prairie	His Worship Dwight Logan	Mayor	Grande Prairie, Alberta	Grande Prairie
B 87	County of Grande Prairie No. 1	Rick Patterson	Asst.County Administrator	Grande Prairie, Alberta	
B 88	Town of Granum	His Worship Larry DeMaere	Mayor	Granum, Alberta	
B 89	Town of Grimshaw	Raymond A. Rondeau	Town Manager	Grimshaw, Alberta	Grande Prairie
B 90	Grouard Indian Band			Grouard, Alberta	
B 91	Village of Halkirk	Mrs. H. Jean Anderson	Secretary/Treasurer	Halkirk, Alberta	
B 92	Town of Hanna	H. Alec Simpson	Town Administrator	Hanna, Alberta	Calgary
B 93	Village of Heisler	His Worship Ron Williams	Mayor	Heisler, Alberta	
B 94	Improvement District No. 23	Bill Neufeld	Chairman, Advisory Council	High Level, Alberta	
B 95	Town of High Level	His Worship Irwin Packham	Mayor	High Level, Alberta	Grande Prairie a/o Edmonton
B 96	Inprovement District 17 Central	Alvin Billings		High Prairie, Alberta	Grande Prairie

	Organization	Representative or Individual	Title	Address	Hearing Location
B 97	Town of High Prairie	Irene Salisbury		High Prairie, Alberta	Grande Prairie a/o Calgary
B 98	East Prairie Metis Settlement Associaton	John Supernault	Interim Administrator	High Prairie, Alberta	Grande Prairie
B 99	Town of High River	His Worship Eldon Couey	Mayor	High River, Alberta	
B100	Village of Hines Creek	Faye Kary	Village Administrator	Hines Creek, Alberta	Grande Prairie
B101	Town of Hinton	Dorothy McVey	Treasurer	Hinton, Alberta	Edmonton
B102	Village of Hythe	Christene Livingstone	Administrator	Hythe, Alberta	Grande Prairie
B103	Town of Innisfail	His Worship Pat Newman	Mayor	Innisfail, Alberta	
B104	Village of Innisfree	His Worship Harry Kulak	Mayor	Innisfree, Alberta	
B105	Town of Killam	R.T. James	Deputy Mayor	Killam, Alberta	
B106	Village of Kinuso	June Roe	Village Administrator	Kinuso, Alberta	
B107	County Vermillion River No. 24	John Scott	County Administrator	Kitscoty, Alberta	
B108	Village of Kitscoty	His Worship Jim Symon	Mayor	Kitscoty, Alberta	Edmonton
B109	County of Lacombe #14	Charles Osterland	County Councillor	Lacombe, Alberta	Calgary
B110	Village of Lavoy	Liz Kiziak	Village Administrator	Lavoy, Alberta	
B111	County of Lethbridge #26	Roelof Heinen	Reeve	Lethbridge, Alberta	
B112	Village of Linden	Her Worship E.J. McDonald	Mayor	Linden, Alberta	Calgary
B113	City of Lloydminster	Her Worship P. M. Gulak	Mayor	Lloydminster, Sask/Alta	Edmonton
B114	Town of Magrath	His Worship David Lowry	Mayor	Magrath, Alberta	Lethbridge
B115	Town of Manning	His Worship Dale Schaffler	Mayor	Manning, Alberta	
B116	Town of Mannville	His Worship N. Bohaichuk	Mayor	Mannville, Alberta	
B117	Village of Marwayne	His Worship Lloyd Payne	Mayor	Marwayne, Alberta	Edmonton
B118	Town of Mayerthorpe	Her Worship Sylvia Krikun	Mayor	Mayerthorpe, Alberta	Edmonton
B119	Village of Youngstown	His Worship W.G.B. MacKinnon	Mayor	Youngstown, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
B120	Town of Mundare	His Worship Edward Stawnichy	Mayor	Mundare, Alberta	
B121	Town of McLennan	Laurent J. Loureux	Municipal Manager	McLennan, Alberta	
B122	Town of Milk River	Donald F. Knight	Municipal Administrator	Milk River, Alberta	Lethbridge
B123	Town of Millet	His Worship Wm. Halliday	Mayor	Millet, Alberta	
B124	Village of Minburn	His Worship Donald Drury	Mayor	Minburn, Alberta	
B125	Town of Morinville	A.M. Gibeault	Manager	Morinville, Alberta	Edmonton
B126	Village of Morrin	His Worship Kenneth Dawson	Mayor	Morrin, Alberta	
B127	Municipal District of Starland #47	Ross Rawlusyk		Morrin, Alberta	Calgary
B128	Village of Munson	Cherie Howard	Village Administrator	Munson, Alberta	
B129	Village of Nampa			Nampa, Alberta	
B130	Village of Nobleford	Mr. Kirk Hofman		Nobleford, Alberta	Lethbridge
B131	Town of Okotoks	Her Worship Sandi Kennedy	Mayor	Okotoks, Alberta	Calgary
B132	Town of Olds	His Worship R. Armstrong	Mayor	Olds, Alberta	Calgary
B133	Town of Oyen	His Worship Wayne Wilson	Mayor	Oyen, Alberta	
B134	Village of Paradise Valley	Barbara Viel	Municipal Administrator	Paradise Valley, Alberta	
B135	Town of Peace River	Gordon O. Lundy	Town Manager	Peace River, Alberta	Grande Prairie
B136	Town of Ponoka	Gordon Harris		Ponoka, Alberta	Edmonton
B137	New Town of Rainbow Lake	Julie Melville Burge		Rainbow Lake, Alberta	
B138	Town of Redwater	Keith Miller	Town Administrator	Redwater, Alberta	
B139	Municipal District of Clearwater	Brian Irmen	Manager	Rocky Mountain House, Alberta	Edmonton
B140	Town of Rocky Mountain House	His Worship Lou Soppit	Mayor	Rocky Mountain House, Alberta	
B141	Village of Rosalind	His Worship James McTavish	Mayor	Rosalind, Alberta	
B142	Village of Rumsey	Debra Anderson		Rumsey, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
B143	Village of Rumsey	His Worship George Taylor	Mayor	Rumsey, Alberta	
B144	Village of Rycroft	Gerald Beach	Secretary Treasurer	Rycroft, Alberta	Grande Prairie
B145	Town of Sexsmith	Irene Basisty	Town Manager	Sexsmith, Alberta	Grande Prairie
B146	Strathcona County	Iris Evans	Reeve	Sherwood Park, Alberta	Edmonton
B147	Lesser Slave Lake Indian Regional Council	Ray Dupres	Chief Executive Advisor	Slave Lake, Alberta	Grande Prairie
B148	Town of Slave Lake	Bernie Kreiner	Manager	Slave Lake, Alberta	Calgary
B149	I.D. No. 17 East, South Advisory Council	Pat Vincent	Manager	Slave Lake, Alberta	Grande Prairie a/o Edmonton
B150	I.D. No. 17 East, North Advisory Council	Pat Vincent	Manager	Slave Lake, Alberta	Grande Prairie a/o Edmonton
B152	Municipal District of Spirit River #133	Thelma Dreger	Reeve	Spirit River, Alberta	Grande Prairie
B153	Town of Spirit River	His Worship Keith Moore	Mayor	Spirit River, Alberta	Grande Prairie
B154	Improvement District No. 20	Tom Sprinkle		Spirit River, Alberta	
B155	Town of Spirit River	Ron Thompson		Spirit River, Alberta	Grande Prairie
B156	City of St. Albert	Norbert Van Wyk	Treasurer	St. Albert, Alberta	Edmonton
B157	County of St. Paul #19 - Municipal	Robert Bouchard	Reeve	St. Paul, Alberta	
B158	Tribal Chiefs Assoc. of N. Eastern Alberta	Gordon Gadwa	Chairman	St. Paul, Alberta	
B159	Town of St. Paul	Wayne Horner	Secretary Treasurer	St. Paul, Alberta	
B160	County of Stettler No. 6	William S. Kirtley	Reeve	Stettler, Alberta	
B161	Summer Village of White Sands	Ronald Komishko		Stettler, Alberta	Edmonton
B162	Town of Stettler	Rob Stoutenberg	Secretary-Treasurer	Stettler, Alberta	
B163	Village of Rochon Sands	Dugall A. Wood		Stettler, Alberta	
B164	Town of Stony Plain	Don Howden	Manager	Stony Plain, Alberta	Edmonton
B165	County of Parkland	Peter Woloshyn	Reeve	Stony Plain, Alberta	
B166	Town of Swan Hills	His Worship Wilbur Peters	Mayor	Swan Hills, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
B167	County of Thorhild #7	William Kostiw	County Administrator	Thorhild, Alberta	
B168	Municipal District #48 Kneehill	John C. Jeffery	Municipal Administrator	Three Hills, Alberta	
B169	Town of Three Hills	Jack Ramsden	Town Manager	Three Hills, Alberta	Calgary
B171	Town of Tofield	His Worship Charles Sears	Mayor	Tofield, Alberta	
B172	Village of Torrington	Irene Wilson	Administrator	Torrington, Alberta	
B173	Town of Trochu	W. T. Peterson	Municipal Administrator	Trochu, Alberta	Calgary
B174	County of Two Hills	Gary N. Popowich		Two Hills, Alberta	Edmonton
B175	Sturgeon Lake Band			Valleyview, Alberta	
B176	Town of Valleyview	His Worship Dick Gillespie	Mayor	Valleyview, Alberta	Grande Prairie
B177	Improvement District No. 16	Ken Mulligan	Chairman	Valleyview, Alberta	Grande Prairie
B178	Reeve of County of Minburn #27	Michael Barlott		Vegreville, Alberta	
B179	Town of Vegreville	Her Worship Kay McKenzie	Mayor	Vegreville, Alberta	Edmonton
B180	County of Minburn No. 27 Board of Education	Orest Olineck		Vegreville, Alberta	Edmonton
B181	Town of Vermilion	His Worship E.D. Hughes	Mayor	Vermilion, Alberta	Edmonton
B182	Village of Veteran	His Worship Ben Ellerby	Mayor	Veteran, Alberta	
B183	Town of Viking	His Worship W.R. Taylor	Mayor	Viking, Alberta	Edmonton
B184	Village of Vilna	Lillian Sorochan	Secretary-Treasurer	Vilna, Alberta	
B185	Town of Wainwright	His Worship Roger Lehr	Mayor	Wainwright, Alberta	Edmonton
B186	Improvement District of Birch Hills, No. 19	Ian Becker	Manager	Wanham, Alberta	
B187	Village of Warspite	Diane Parons	Secretary/Treasurer	Warspite, Alberta	
B188	Village of Waskatenau	His Worship Jim Coswan	Mayor	Waskatenau, Alberta	
B189	Town of Westlock	Clarence Truckey	Councillor	Westlock, Alberta	Edmonton
B190	City of Wetaskiwin	Doug Plamping	City Manager	Wetaskiwin, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
B191	Town of Whitecourt	His Worship Helmut Kreiner	Mayor	Whitecourt, Alberta	
B192	Village of Willingdon	His Worship Ted Prescott	Mayor	Willingdon, Alberta	Edmonton
B193	Village of Youngstown	Evelyn Blagen	Municipal Administrator	Youngstown, Alberta	
C194	Cadron-Highway R.E.A. Ltd.	Terry Levicki	Secretary-Treasurer	Andrew, Alberta	
C195	Zawale R.E.A.	Larry Wilson	Director	Andrew, Alberta	
C196	Ashmont District Agricultural Society	Lee L. Petry		Ashmont, Alberta	Edmonton
C197	Landing R.E.A. Ltd.			Athabasca, Alberta	
C199	Berwyn & District Chamber of Commerce	Albert Pimm		Berwyn, Alberta	Grande Prairie
C200	Mackenzie Regional Planning Commission	Michael Procter	Chairman	Berwyn, Alberta	Grande Prairie
C201	Devonia R.E.A.	C. F. Lane		Blackfoot, Alberta	
C202	Bonnyville & District Chamber of Commerce	Joffre Hamel		Bonnyville, Alberta	
D203	Bonnyville Nouvelle	Manfred Kronert		Bonnyville, Alberta	
C204	Lakeland Catholic Board of Education	Henri Lemire		Bonnyville, Alberta	
C205	Lakeland Community Futures Committee	Rob Miller	Executive Director	Bonnyville, Alberta	Edmonton
C206	Lamont/Two Hills Community Futures	Des Bovell		Bruderheim, Alberta	Edmonton
C207	Calgary Chamber of Commerce	John Currie	President	Calgary, Alberta	Calgary
C208	United Mine Workers of America	Gary Taje and Bill Stuart		Calgary, Alberta	Lethbridge
C209	Western Wind Industry Network of Canada	Nicholas Teekman		Calgary, Alberta	Calgary
C210	Niton R.E.A.	V. Kiehlbauch		Carrot Creek, Alberta	Edmonton
C211	Theresetta Roman Catholic School Dist.#23	Alec Hamel	Board Chairman	Castor, Alberta	
C212	Castor Business Association	Guy Wiart		Castor, Alberta	
C213	Paintearth Foundation	Sylvia Wold	Manager	Castor, Alberta	
C214	Cereal & District Athletic Association			Cereal, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
C215	Cereal & District Board of Trade	Frankie Adams	Secretary	Cereal, Alberta	
C216	Berry Creek R.E.A.	Doug Williams		Cessford, Alberta	
C217	Greenlawn R.E.A.	Lester Goldsmith	Secretary-Treasurer	Clandonald, Alberta	
C218	Old Man Water Users Assoc.	William Arsene		Coalhurst, Alberta	Lethbridge a/o Calgary
C219	Cochrane Chamber of Commerce	Larry Kroper		Cochrane, Alberta	Calgary
C220	Cold Lake Chamber of Commerce	Marv Cherniwchan		Cold Lake, Alberta	
C222	Neutral Hills School Division #16	Richard Brown	Secretary-Treasurer	Consort, Alberta	
C223	Unifarm Director	Roger E. Buxton		Consort, Alberta	
C224	Coronation R.E.A.			Coronation, Alberta	
C225	Coronation & District Chamber of Commerce	Barry R. Walker		Coronation, Alberta	
C226	Delburne West R.E.A.	Ada Linneburg		Delburne, Alberta	
C227	Derwent R.E.A.	B. Kwasnycia		Derwent, Alberta	Edmonton
C228	Drumheller Separate School Board			Drumheller, Alberta	
C230	Drumheller & District Chamber of Commerce	Barry Fullerton		Drumheller, Alberta	Calgary
C231	Starland School Division #30	D. Schneider		Drumheller, Alberta	
C232	Drumheller Reg. Economic Development Board	David Snideman	Chairman	Drumheller, Alberta	Calgary
C233	Michichi R.E.A.	Diane Thomas	Secretary Treasurer	Drumheller, Alberta	
C234	Drumheller Valley School Division #62	Dr. Haze Wescott	Superintendent of Schools	Drumheller, Alberta	
C235	United Grain Growers	Germain Sassevill		Eaglesham, Alberta	
C236	United Steel Workers of America	John Keef	President, Local 5220	Edmonton, Alberta	Edmonton
C237	Edmonton Chamber of Commerce	John A. Knebel		Edmonton, Alberta	Edmonton
C238	Alberta Association of M.D.s and Counties	Mr. Gordon Miller	President	Edmonton, Alberta	Edmonton
C239	Alberta Federation of R.E.A.s	Herman Schwenk	President	Edmonton, Alberta	All Locations

	Organization	Representative or Individual	Title	Address	Hearing Location
C240	Industrial Power Consumers Assoc. of Alberta	Brian Tyers	President	Edmonton, Alberta	Gr.Prairie/Edmonton/Calgary
C241	Council of Municipalities of West Central Alberta			Edson, Alberta	Edmonton
C242	The Elk Point & Dist. Agricultural Society	Glenn Harms	President	Elk Point, Alberta	
C243	Pioneer Circle Society	Sid Holthe		Elk Point, Alberta	Edmonton
C244	Fairview School Division	Dave Allison	Superintendent of Schools	Fairview, Alberta	Grande Prairie
C245	Fairview & District Chamber of Commerce	Kelly Bulmer	Economic Dev. Officer	Fairview, Alberta	
C246	Regional Tourism & Trade Society	Richard Duncan		Falher, Alberta	Grande Prairie
C247	Forestburg Chamber of Commerce			Forestburg, Alberta	
C248	Athabasca Delta Community School	George Van der Loos	Principal	Fort Chipewyan, Alberta	
C249	Fort McMurray Chamber of Commerce			Fort McMurray, Alberta	Fort McMurray
C250	MacDonald Island Park Society	Darel Baker		Fort McMurray, Alberta	Fort McMurray
C251	Ft McMurray Reg. Venture Initiatives Council	Bob Campbell	Chairman	Fort McMurray, Alberta	Fort McMurray
C252	Fort McMurray School District #2833	Barry Haughian	Director of Plant Operations	Fort McMurray, Alberta	Fort McMurray
C253	Fort McMurray RCSSD #2	Mr.Jerry Heck		Fort McMurray, Alberta	Fort McMurray
C254	Y.M.C.A. of Fort McMurray	Allan Little		Fort McMurray, Alberta	Fort McMurray
C255	Athabasca Tribal Corporation	T. Punko		Fort McMurray, Alberta	Fort McMurray
C256	Fort McMurray Business Development Centre	John H. Wilson	Chairman	Fort McMurray, Alberta	Fort McMurray
C257	Downtown Business R.Z. Association	Anne M. Young	Project Coordinator	Fort McMurray, Alberta	Fort McMurray
C258	Wood Buffalo National Park	Dorothy Woodburn		Fort Smith, N.W.T.	
C259	St. Mary's Elementary School	Ken Hampel		Fort Vermilion, Alberta	Grande Prairie
C260	Fort Vermilion School Division #52	Robert B. Orr		Fort Vermilion, Alberta	Grande Prairie
C261	Shooting Lake R.E.A.	Gordon J. Jackson		Gadsby, Alberta	
C262	Town of Grande Cache - Business Development	Julian Kinisky		Grande Cache, Alberta	Grande Prairie

	Organization	Representative or Individual	Title	Address	Hearing Location
C263	Grande Centre Chamber of Commerce			Grande Centre, Alberta	Edmonton
C264	Northern Alberta Nitrogen			Grande Prairie, Alberta	
C265	Alberta Cogenerators	Mr. Kim Logan		Grande Prairie, Alberta	Grande Prairie
C266	Grande Prairie East R.E.A.	Ernie Pellerin		Grande Prairie, Alberta	
C267	Grande Prairie School District #2357	Greg Remple	Assistant Secretary-Treasurer	Grande Prairie, Alberta	
C268	Hospitals of the AHA Nthrn Region Conference	E.W. Riley		Grande Prairie, Alberta	Grande Prairie
C269	Alberta Cogenerators Council	Kim Logan and Tim Whitford		Grande Prairie, Alberta	Edmonton
C270	Downtown Association	Brian Wilson	Manager	Grande Prairie, Alberta	
C271	White Swan R.E.A. Ltd.	Edward Pimm	President	Grimshaw, Alberta	
C273	Burns R.E.A.			Hanna, Alberta	
C274	Rangeland School Division	A.J. Aitken		Hanna, Alberta	
C275	Burns R.E.A.	Gary Hickle		Hanna, Alberta	
C277	Sullivan Lake R.E.A.	R. J. Johnston	Secretary	Hanna, Alberta	
C278	Special Areas Board	Jay J. Slemp	Chairman	Hanna, Alberta	Calgary
C279	Palliser Regional Planning Commission	Frank W. Wesseling	Director	Hanna, Alberta	
C280	High Level & District Chamber of Commerce	Marc Beland	President	High Level, Alberta	
C281	Boyer River R.E.A.	Catherine Bunton	Secretary-Treasurer	High Level, Alberta	
C282	High Prairie & District Chamber of Commerce			High Prairie, Alberta	
C283	High Prairie School Division #48	Dan Dusseault	Chairman	High Prairie, Alberta	
C284	Torrington R.E.A. #591	R. Kerns		Huxley, Alberta	
C285	Jasper Park Chamber of Commerce			Jasper, Alberta	
C286	Jasper School District #3063			Jasper, Alberta	
C287	Jasper Town Committee	Allan Edwards		Jasper Alberta	Edmonton

	Organization	Representative or Individual	Title	Address	Hearing Location
C288	Alberta Women's Institutes District IV	K.L. Habberfield		Langdon, Alberta	Lethbridge and/or Calgary
C289	Lavoy R.E.A. Ltd.	Dave Kordan		Lavoy, Alberta	Edmonton
C290	St. Mary River Irrigation District	James E. Brown		Lethbridge, Alberta	Lethbridge
C291	Alberta Irrigation Projects Association	Mr. Stan Klassen		Lethbridge, Alberta	Lethbridge
C292	Alberta Soft Wheat Producers Commission	Andy Kouacs	Executive Director	Lethbridge, Alberta	Lethbridge
C293	Lethbridge Northern Irrigation District	Mr. F.A. Ross		Lethbridge, Alberta	Lethbridge
D294	Lloydminster Times			Lloydminster, Sask/Alta	
C295	Lloydminster Economic Development Authority	Byron Bailey		Lloydminster, Sask/Alta	Edmonton
C296	Lloydminster Hotel & Motel Association	Colin Bolin	Secretary Treasurer	Lloydminster, Sask/Alta	
C297	Joint Municipalities in APL's Service Area	Roger H. Brekko		Lloydminster, Sask/Alta	Edmonton
C298	Lloydminster Public School Division	Donald B. Duncan	Director of Education	Lloydminster, Sask/Alta	
C299	Lloydminster Chamber of Commece	Ed Edquist		Lloydminster, Sask/Alta	Edmonton
C300	Thorpe Recovery Centre Society	Bill Hewitt		Lloydminster, Sask/Alta	Edmonton
C301	Lloydminster Catholic School Division	Jim McLoughlin		Lloydminster, Sask/Alta	Edmonton
C302	Manning & District Board of Trade	C. E. Murrant		Manning, Alberta	
C303	Rowley R.E.A.			Morrin, Alberta	
C304	Morrin Agriculture Society	Brian Montgomery		Morrin, Alberta	
C305	Grande Prairie & District Chamber of Commerce	Mr. G.E. Pink	President	Grande Prairie, Alberta	
C306	Sisters Servants of Mary Immaculae			Mundare, Alberta	
C307	Hilliard R.E.A. Ltd.	Victor Sawchuk	Secretary	Mundare, Alberta	Edmonton
C308	Plain R.E.A.	Steve Babych		Musidora, Alberta	Edmonton
C309	Acadia School Division #8	Robert Brown	Secretary/Treasurer	Oyen, Alberta	
C310	Oyen & District Chamber of Commerce	Don Gummo		Oyen, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
C311	Big Country Ag Society	Rose Jardine	President	Oyen, Alberta	Calgary
C312	Museum Society	Parke Dobson		Paradise Valley, Alberta	
C313	North Peace Catholic Schools			Peace River, Alberta	Grande Prairie
C314	Wesley Creek R.E.A.			Peace River, Alberta	Grande Prairie
C315	Peace River Board of Trade			Peace River, Alberta	Grande Prairie a/o Calgary
C316	Northern Alberta Development Council	Dr. Bob Elliot, MLA	Chairman	Peace River, Alberta	Grande Prairie
C317	Peace River School Division #10	Bruce Moltzan		Peace River, Alberta	Grande Prairie
C318	Peace River Hospital Complex	Mike Ostafichuk	Administrator	Peace River, Alberta	Grande Prairie
C320	Rainbow Lake Chamber of Commerce			Rainbow Lake, Alberta	
C321	Sibbald R.E.A. Ltd.	Jim Westgard		Sibbald, Alberta	
C322	Lesser Slave Lake Business Dev. Centre Corp.	Dianne Garratt	Manager	Slave Lake, Alberta	Grande Prairie
C323	Slave Lake & District Chamber of Commerce	Wm. Watchorn and K. Giblin	Co-Chairmen	Slave Lake, Alberta	Edmonton
C324	Smoky Lake Chamber of Commerce	Mrs. Patricia Macri		Smoky Lake, Alberta	
C325	Silver Valley R.E.A.	Marcel Berghs	President	Spirit River, Alberta	
C326	Spirit River School Division #47	C. Esselink	Secretary Treasurer	Spirit River, Alberta	
C327	Spirit River & District Chamber of Commerce	Harry Ezio	President	Spirit River, Alberta	
C328	St. Paul/Smoke Lake Community Futures Assoc.	Randy Brodziak	Chairman	St. Paul, Alberta	
C330	St. Paul & District Chamber of Commerce	Gerry Desaulniers	President	St. Paul, Alberta	Edmonton
C331	Tribal Chiefs Assoc. of N. Eastern Alberta	Gordon Gadwa	Chairman	St. Paul, Alberta	
C332	Glen Avon Protestant School District No. 5	Dave Lashuk	Secretary-Treasurer	St. Paul, Alberta	Edmonton
C333	Board of Education, County of St. Paul #19	Dwayne Lindberg	Chairman	St. Paul, Alberta	
C334	St. Paul Public School District #2228	C. J. Ouellette	Secretary-Treasurer	St. Paul, Alberta	
C335	Stettler School District #1475	R. L. Dick	Secretary-Treasurer	Stettler, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
C336	Stettler & District Chamber of Commerce	Erika Hansel	President	Stettler, Alberta	Edmonton
C337	Stettler District Agricultural Society	Karen Heaven		Stettler, Alberta	
C338	Fenn R.E.A.	Annie Van Straten	Secretary/Treasurer	Stettler, Alberta	
C339	Berry Creek School Div. #1			Sunnynook, Alberta	Calgary
C340	Sunset House R.E.A.			Sunset House, Alberta	
C341	Swan Hills General Hospital District #58	Robert J. Nay	Executive Director	Swan Hills, Alberta	
C342	Swan Hills Chamber of Commerce	Rose Parker		Swan Hills, Alberta	
E343		Roy E. Butler		Three Hills, Alberta	
C344	Board of Kneehill Foundation	Amy Hunter	Secretary-Treasurer	Three Hills, Alberta	
C345	Sunnyslope R.E.A.	R. Glen Keiver		Three Hills, Alberta	
C346	Three Hills Chamber of Commerce	Arlin Koch		Three Hills, Alberta	
C347	Three Hills School Division #60	W.C. Adrian		Trochu, Alberta	
C348	Donaldson R.E.A. Ltd.	D. Hibbs	President	Trochu, Alberta	
C349	Dawn R.E.A. Ltd.	A. Antypowich		Valleyview, Alberta	Grande Prairie
C350	Valleyview & Dist. Chamber of Commerce, et al	Edie Spagrud		Valleyview, Alberta	Grande Prairie
C351	East Smoky School Division No. 54	David Thomas	Superintendent of Schools	Valleyview, Alberta	
C352	Bow River Irrigation District	Mr. F.B. McPherson		Vauxhall, Alberta	Lethbridge
C353	Vegreville & District Chamber of Commerce	Bill Boyd	President	Vegreville, Alberta	
C354	Warwick R.E.A. Ltd.	Dan M. Czar		Vegreville, Alberta	Edmonton
C355	Veg. West R.E.A.	Orest J. Kaly		Vegreville, Alberta	
C356	Vegreville Catholic Separate School Dist.#16	Bernie McCracken	Superintendent	Vegreville, Alberta	
C357	Borradaille R.E.A.	Kathy Handford		Vermilion, Alberta	
C358	Claysmore R.E.A.	Kathy Handford		Vermilion, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
C359	Vermilion Chamber of Commerce	Beryl Tovell		Vermilion, Alberta	
C361	Vilna & District Chamber of Commerce	Frank Stockall		Vilna, Alberta	
C362	Vilna & District Agricultural Society	Metro Trufyn		Vilna, Alberta	
C363	Community of Co-ordinating Organizations	Sharon Zamorsky	Corresponding Secretary	Wanham, Alberta	
C364	Barich R.E.A.	Anne Carson	Secretary-Treasurer	Waskatenau, Alberta	
C365	South Beaverlodge R.E.A.	Larry Groner		Wembley, Alberta	Grande Prairie
C366	Action North Committee	Ben Smashnuk		Wembley, Alberta	
C367	Whitecourt Chamber of Commerce	John Kenney	President	Whitecourt, Alberta	
C368	Willingdon R.E.A. Ltd.	Neil Gorda	President	Willingdon, Alberta	Edmonton
D369	C & D Oil & Gas Ltd.	Cec Peacock	President	Alliance, Alberta	Calgary
D370	West Smoky Arena/Lakeside Golf & Country Club	Anne Larson		Eaglesham, Alberta	
D371	D.J. Hog Farms	Pete Peregryn		Blackfoot, Alberta	Edmonton
D372	Bluesky Co-operative Association Limited	Joe Becher	Manager	Bluesky, Alberta	
D373	Bonnyville Health Centre	Simon Dallaire		Bonnyville, Alberta	Edmonton
D374	Gen-Mac Construction Ltd.	Clermont Roy	President	Bonnyville, Alberta	
D375	Canadian Occidental Industrial Chemicals	Richard Jensen		Bruderheim, Alberta	Edmonton and Calgary
D376	Howe Ranches			Buffalo, Alberta	
D377	Blue Hills Community School	Ross Ullyet		Buffalo Head Prairie, Alberta	Grande Prairie
D378	Faculty of Law, University of Calgary	Nigel Bankes	Professor of Law	Calgary, Alberta	Calgary
D379	Lafarge Canada Inc.	Bernie Bonneau		Calgary, Alberta	Edmonton a/o Calgary
D380	Petro-Canada Inc.	Ian G. Bryden		Calgary, Alberta	Calgary
D381	Husky Oil Operations Ltd.	R. S. Coward		Calgary, Alberta	Calgary
D382	Husky Power Ltd.	Bruce Corbet		Calgary, Alberta	Calgary

	Organization	Representative or Individual	Title	Address	Hearing Location
D383	Chevron Canada Resources	Mike Esmay		Calgary, Alberta	Calgary
D384	DEKALB Energy Canada Ltd.	Michael Finnegan		Calgary, Alberta	Calgary
D385	Imperial Oil Ltd.	Richard Gallant		Calgary, Alberta	Calgary
D386	Ryerson Oil and Gas Limited	Blaine Holstein		Calgary, Alberta	
D387	Procor Sulphur Services Inc.	Jim Hoover		Calgary, Alberta	Calgary
D388	Sherritt Gordon Limited	G.R. Kampjes		Calgary, Alberta	Calgary
D390	P.M. Wolcott & Associates Ltd.	Larry Kraus		Calgary, Alberta	
D391	Canadian Hunter Exploration	George Marquardt		Calgary, Alberta	Grande Prairie
D392	Chem-Security (Alberta) Ltd.	A. F. Mathes	General Manager	Calgary, Alberta	
D393	Shell Canada Ltd.	Ed McMaster		Calgary, Alberta	Calgary
D394	Renaissance Energy Ltd.	Rob McNeill		Calgary, Alberta	Calgary
D395	Amoco Canada Petroleum Company Ltd.	J. Sherrold Moore		Calgary, Alberta	Grande Prairie a/o Edmonton
D396	Anderson Exploration Ltd.	J.D. Pennock	Production Manager	Calgary, Alberta	
D397	Husky Oil Operations Ltd.	R. J. Penrose		Calgary, Alberta	Calgary
D398	Sabre Energy Ltd.	R. Jack Pirie	President	Calgary, Alberta	Calgary
D399	Canadian Petroleum Association	Mike Ratuski		Calgary, Alberta	Calgary
D400	Procor LPG Storage Inc.	Kenn Robertson		Calgary, Alberta	Edmonton
D401	Crestar Energy Inc.	Clifford H. Samuels		Calgary, Alberta	
D402	Fording Coal Limited	D. J. Shyluk		Calgary, Alberta	Calgary
D403	Alberta Natural Gas	Mr. Jerry Smith		Calgary, Alberta	Calgary
D404	Novacor Chemicals Ltd.	Ron Steffan		Calgary, Alberta	All Locations
D405	Westcan Environmental Inc.	Thomas Vladut		Calgary, Alberta	Calgary
D406	Home Oil Company Limited	Andrew Vogan		Calgary, Alberta	Calgary

	Organization	Representative or Individual	Title	Address	Hearing Location
D407	Our Lady of the Rosary Hospital	Sr. Claire Charlebois	Chief Executive Officer	Castor, Alberta	
D408	Cereal Municipal Hospital	Linda Olsen	Chief Executive Officer	Cereal, Alberta	
D409	E. Nester Ranching Ltd.	Les Nester		Cessford, Alberta	
D410	Sunstrom Ranching Co. Ltd.	Bruce Sunstrom		Cessford, Alberta	
D411	Cold Lake Regional Hospital	Mr. Donald L. Carley	Administrator	Cold Lake, Alberta	Edmonton
D412	Consort Municipal Hospital	Kim Swanson		Consort, Alberta	
D413	Coronation & District Health Care Complex	Barry R. Walker		Coronation, Alberta	
D414	Bedrock Playschool			Drumheller, Alberta	
D415	Drumheller Co-op			Drumheller, Alberta	
D416	Drumheller Valley Ski Club	Norman Chambers		Drumheller, Alberta	
D417	Excelsior Motors	Brian Perrin		Drumheller, Alberta	
D419	Drumheller Health Complex	J. Ramsbottom		Drumheller, Alberta	
D420	Olde Tyme Musik			Eaglesham, Alberta	
D421	Eaglesham Mayfair Food Store	Jules Bowin	Owner/Operator	Eaglesham, Alberta	
D422	Pine Ridge Forest Nursery	Ted Osepchuk and Carson McDonald		Smoky Lake, Alberta	Edmonton
D423	The Grocery People Ltd.	Garry Crane and Brian Thompson		Edmonton, Alberta	Edmonton
D424	Dicorp Operations Ltd.	John Blackstock		Edmonton, Alberta	Edmonton and Fort McMurray
D425	Alberta Energy Company Ltd.	Richard E. Huff		Edmonton, Alberta	Edmonton a/o Calgary
D426	Millar Western Pulp Ltd.	Jack Joys		Edmonton, Alberta	Grande Prairie
D427	Canadian Liquid Air	F. H. Lefebvre		Edmonton, Alberta	
D428	The North West Company Inc.	L.J. Lemoine		Edmonton, Alberta	Edmonton
D429	Stelco Steel	Mr. H.J. Lepp		Edmonton, Alberta	Edmonton
D430	Daishowa Canada Co. Ltd.	James Morrison		Edmonton, Alberta	Grande Prairie

	Organization	Representative or Individual	Title	Address	Hearing Location
D431	Grande Alberta Paper Ltd.	Ian Murray		Edmonton, Alberta	
D432	Unifarm	Hartmann Nagel	President	Edmonton, Alberta	Edmonton
D433	Weyerhaeuser Canada Ltd.	R.M. (Bob) Olson		Edmonton, Alberta	Edmonton
D434	Alberta Government Telephones	Don Romaniuk		Edmonton, Alberta	Edmonton
D435	Interprovincial Pipe Line Inc.	Bonnie Stowkowy		Edmonton, Alberta	Edmonton
D436	Barbical Properties Inc.	James C. Taylor		Edmonton, Alberta	
D437	Albchem Industries Ltd.	Brian D. Thorpe	President	Edmonton, Alberta	Edmonton
D438	Luscar Ltd.	Bill Welk	Dir., Materials Management	Edmonton, Alberta	Edmonton
D439	Elk Point United Church			Elk Point, Alberta	
D440	Ultimo Cadens Launderama	Dale James		Elk Point, Alberta	
D441	Elk Point Municipal Hospital	C. J. Johnson	Administrator	Elk Point, Alberta	
D442	Millie's Flowers & Crafts	Mildred Orr		Elk Point, Alberta	
D443	Elk Point Curling Club	Mark Wilson		Elk Point, Alberta	
D445	Elnora Motors (1974) Ltd.	A. M. Silbernagel		Elnora, Alberta	
D446	Elnora General Hospital	Martin Tyess	Chairman, Board of Trustees	Elnora, Alberta	
D447	Bissell Bros. Lumber Ltd.	C. Bissell		Enilda, Alberta	
D448	Albright & Wilson Americas	Michael Filippelli		Etobicoke, Ontario	Grande Prairie
D449	Fairview College	John Campbell	Dean, Administration	Fairview, Alberta	
D450	Jonson Drugs (Grimshaw) Ltd.	George Jonson		Fairview, Alberta	
D451	Falher Alfalfa Ltd.	Rene Roy		Falher, Alberta	Grande Prairie
D452	Rainbow Alfalfa Farms	Dan Turner		Falher, Alberta	Grande Prairie
D453	Dornan Ranching	Lawrence Dornan		Finnegan, Alberta	
D454	Country Lane Greenhouses	Herman & Roseann Freadrich	Owner/Operators	Forestburg, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
D455	Suncor Inc.	Akhtar Ansari	Mgr, Utilities Operations/EDD	Fort McMurray, Alberta	Fort McMurray
D456	Syncrude Canada Limited	Randy Boates		Fort McMurray, Alberta	Fort McMurray
D457	Northland Forest Products Ltd.	Roy Ewashko		Fort McMurray, Alberta	Fort McMurray
D458	Fort McMurray Regional Hospital	Donald M. Ford	Chief Executive Officer	Fort McMurray, Alberta	
D459	McMurray Imperial Enterprises Ltd.	Paul Hartigan	Manager	Fort McMurray, Alberta	Fort McMurray
D460	Syncrude Canada Limited	Jim Hilsenteger		Fort McMurray, Alberta	Fort McMurray
D461	Keyano College	Doug MacRae	President	Fort McMurray, Alberta	Fort McMurray
D463	Transport Canada	Eric D. Tolton	Fort McMurray Airport Manager	Fort McMurray, Alberta	Fort McMurray
D464	Nomad Inn	Brian Walker		Fort McMurray, Alberta	Fort McMurray
D465	H. Wilson Industries Ltd.	John H. Wilson		Fort McMurray, Alberta	Fort McMurray
D466	Dow Chemical Canada Inc.	Hans Garritsen		Fort Saskatchewan, Alberta	Edmonton
D467	Union Carbide Canada Ltd.	Robert Sheehan		Fort Saskatchewan, Alberta	Edmonton
D468	Galahad Health Care Centre	Maynard Godlien		Galahad, Alberta	
D469	The Grocery People Ltd.	Vic Beland		Grande Cache, Alberta	Grande Prairie
D470	Chalet Food Stores Ltd.	Duane Didow		Grande Cache, Alberta	
D471	Second Street Theatre	Joseph A. Calenda		Grande Prairie, Alberta	Grande Prairie
D472	Procter & Gamble Cellulose	Mr. Kim Logan		Grande Prairie, Alberta	Grande Prairie
D473	Canadian Forest Products Ltd.	Barry Mitchell	Accounting Manager	Grande Prairie, Alberta	
D474	Neil's Agri Services Ltd.	John Neil		Grande Prairie, Alberta	
D475	Queen Elizabeth II Hospital	E. W. Riley	Director, Plant Services	Grande Prairie, Alberta	Grande Prairie
D476	Willow Valley Landscape Centre Ltd.	Bev Rogerson		Grande Prairie, Alberta	
D477	Grande Prairie Regional College	John Webster	Director, Campus Operations	Grande Prairie, Alberta	
D478	Sungrass Ranch Ltd.			Hanna, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
D479	Zama City School	Leonard Fedorus		High Level, Alberta	Grande Prairie
D480	Buchanan Enterprises Ltd.	Gordon Buchanan		High Prairie, Alberta	Edmonton
D481	High Prairie Regional Health Complex	Leonard Hough		High Prairie, Alberta	
D482	Perry Agri-Services	Brenda Perry		High Prairie, Alberta	
D483	High Prairie Food Markets	Lloyd Stevens		High Prairie, Alberta	Grande Prairie
D484	Weldwood of Canada Ltd.	Tim Whitford		Hinton, Alberta	Edmonton
D485	Marmot Lodge	Ralph Melnyk		Jasper, Alberta	
D486	Jasper Park Lodge	James Tingley	Executive Assistant Manager	Jasper, Alberta	
D487	Canadian Parks Service	Andy Walker		Jasper, Alberta	Edmonton
D488	Canada West Ski Areas Association	Mark Faubert		Kananiskis Village, Alberta	Calgary
D489	Kinuso Mercantile Ltd.	Art Boisvert		Kinuso, Alberta	Edmonton
D490	Kinuso Super A	Barry Boisvert		Kinuso, Alberta	Edmonton
D491	Hedge Haven Farms	Gordon Hayden		Kitscoty, Alberta	Edmonton
D492	Legal Alfalfa Products Ltd.	Roger Vansevenandt		Legal, Alberta	
D493	Midnight Farms Ltd.			Lloydminster, Sask/Alta	Edmonton
D494	Allen's Dairy Freez Ltd.	Jack Allen		Lloydminster, Sask/Alta	Edmonton
D495	Scotty's Rentals and Sales	R. J. Baker		Lloydminster, Sask/Alta	Edmonton
D496	Tropical Inns	Colin Bolin		Lloydminster, Sask/Alta	
D497	HiWay Upholstery	Miles Britton		Lloydminster, Sask/Alta	Edmonton
D498	Vee Tee Feeders Ltd.	Richard Davies		Lloydminster, Sask/Alta	
D499	Rondesign Sales Ltd.	Ronald C. Harris	President	Lloydminster, Sask/Alta	
D500	Harris Electric Company Ltd.	Gordon R. Harris		Lloydminster, Sask/Alta	
D501	Bob Jack's Sheetmetal Ltd.	Robert Jack		Lloydminster, Sask/Alta	

	Organization	Representative or Individual	Title	Address	Hearing Location
D502	Tridon Paging	Brant Jeffery		Lloydminster, Sask/Alta	
D503	Mark Borough Properties Ltd.	Lillian Johnson		Lloydminster, Sask/Alta	Edmonton
D504	Meridian Printing	Byron Keebaugh		Lloydminster, Sask/Alta	Edmonton
D505	Mobil Oil Canada	P. Prociuk	Representative	Lloydminster, Sask/Alta	
D506	MicroAge Computer Centres	Barry Ranger		Lloydminster, Sask/Alta	Edmonton
D507	Mid West TV Ltd & Sask-Alta Broadcasters Ltd	Ken Ruptash	General Manager	Lloydminster, Sask/Alta	Edmonton
D508	Schreiber Farms	Dan Schreiber		Lloydminster, Sask/Alta	Edmonton
D509	Heidi's Donuts	Jack Snydal		Lloydminster, Sask/Alta	Edmonton
D510	Yellowhead Q-Mart	Jack Snydal		Lloydminster, Sask/Alta	Edmonton
D511	Jack's Place Esso	Jack Snydal		Lloydminster, Sask/Alta	Edmonton
D512	Meridian Esso	Jack Snydal		Lloydminster, Sask/Alta	Edmonton
D513	Communiplex Golf & Winter Club	Anne Townsend		Lloydminster, Sask/Alta	
D514	Lloydminster Credit Union	L. John Vinek		Lloydminster, Sask/Alta	
D515	Rolling Green Golf Course	Bob Walker		Lloydminster, Sask/Alta	Edmonton
D516	Baretta Enterprises	Bob Walker		Lloydminster, Sask/Alta	Edmonton
D517	Hi-Gain Feedlot	Dennis Wobeser		Lloydminster, Sask/Alta	Edmonton
D518	Zellers Inc.	Rick Ehrmantraut		Lloydmister, Sask/Alta	
D519	Paddle Valley Products Ltd.	Frank Hagman	Manager	Mayerthorpe, Alberta	
D520	Hollandia Baising Co. (1979) Ltd.	Romeo Perra		McLennan, Alberta	Grande Prairie
D521	Mary Immaculate Hospital	Sr. J. Soluk		Mundare, Alberta	Edmonton
D522	Myrnam Municipal Hospital	Rose Boida		Myrnam, Alberta	
D523	Boucher Bros. Lumber			Nampa, Alberta	Grande Prairie
D524	Camden Farms Ltd. / Region #2, APPDC	Burt Jorgenson		New Brigden, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
D525	Thurston Farms			Oyen, Alberta	
D526	Ball Trailer Park	Helen E. Ball		Oyen, Alberta	
D527	Art's TV & Appliances	Arthur Berg		Oyen, Alberta	Calgary
D528	Royal Canadian Legion #208	Norman W. Evens	Secretary	Oyen, Alberta	
D529	Fountain Tire Stores (Oyen)	Randy Girletz		Oyen, Alberta	Calgary
D530	J.R. Hurley Holdings Ltd.	J. Rufus Hurley	President	Oyen, Alberta	
D531	Oyen Pharmacy	Gordon Johnsen		Oyen, Alberta	
D532	Oyen Paint & Autobody Ltd.	Curtis Kergen		Oyen, Alberta	
D533	Vals Halfway Service Ltd.	Jerry Kuhn		Oyen, Alberta	
D534	Jerry's Mens Wear	Jerry Kuhn		Oyen, Alberta	
D535	Halfway Inn Restaurant	Jerry Kuhn		Oyen, Alberta	
D536	Paul-John Lijdsman Ag Inc.	Paul Lijdsman		Oyen, Alberta	
D538	Big Country Hospital	Pius Sauverwald	Administrator	Oyen, Alberta	
D539	Snell Farms Ltd.	Charles Snell		Oyen, Alberta	
D540	The Home Quarter Pub	Bill Snell		Oyen, Alberta	
D541	The Oyen Echo	Diana Walker		Oyen, Alberta	
D542	R.J. Woods Hardware-MacLeods True Value	Robin Woods		Oyen, Alberta	
D543	Battle River Seed Cleaning Co-op	Mark Kaese		Paradise Valley, Alberta	
D544	Purser Farms	Don Purser		Paradise Valley, Alberta	Edmonton
D545	Paradise Valley General Store Ltd.	Carole A. Rayson		Paradise Valley, Alberta	
D546	Sunderland Hog Farms	Myron Sunderland		Paradise Valley, Alberta	Edmonton
D547	Daishowa Canada Co. Ltd.	John Giles	Steam and Power Super.	Peace River, Alberta	Grande Prairie
D548	Rooke Ranching Ltd.	Brad Rooke		Pollockville, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
D549	Radway Health Care Centre	Evangelene McNamara	Chief Executive Officer	Radway, Alberta	
D550	Ipsco Inc.	G. Charles Backman	Senior Vice-President	Regina, Saskatchewan	Calgary
D551	Seguin Construction (1979) Ltd.	Wray D. Adams		Slave Lake, Alberta	
D552	Northwest Inss Ltd.	Robert Dias		Slave Lake, Alberta	
D553	Slave Lake Developments Ltd.	David Lebsack		Slave Lake, Alberta	
D554	Sawridge Group of Companies	W.P. Twinn and M. McKinney		Slave Lake, Alberta	Grande Prairie
D555	Zeidler Forest Industries Ltd.	Allen T. Morton		Slave Lake, Alberta	
D556	Slave Lake Pioneers	Florence Thompson	President	Slave Lake, Alberta	Calgary
D557	Vanderswell Contractors (1971) Ltd.	K. Vanderswell		Slave Lake, Alberta	
D558	Energy Consulting Inc.	Dr. A.C. Jackson		Stettler, Alberta	Calgary
D559	Stettler Hospital Complex	R. W. Richards		Stettler, Alberta	
D560	Circle S Ranching	J.A. Solberg		Sunnynook, Alberta	
D561	Three Hills Motor Products	Doug Lorraine		Three Hills, Alberta	
D562	Prairie Bible Institute	Dan C. Wiebe		Three Hills, Alberta	Calgary
D563	St. Mary's Health Care Centre	Peter Verhesen	Administrator	Trochu, Alberta	
D564	Two Hills Health Care Centre	E.R. Bexson	Executive Director	Two Hills, Alberta	Edmonton
D565	Agri-Ethanol	Peter Marcichiw		Two Hills, Alberta	Edmonton
D566	Two Hills I.G.A.	Jim Nahirnak		Two Hills, Alberta	
D567	Dragon Energy Services Ltd.	Bernie Olanski		Valleyview, Alberta	
D568	Alberta Newsprint Company	Robert L. McPhail	Dir., Taxation & Admin.	Vancouver, B.C.	Fort McMurray
D569	Geo C. Webb & Sons (1980) Ltd.	George C. Webb, Jr.	President	Vermilion, Alberta	
D570	Vermilion Health Care Complex	N. Kashuba		Vermilion, Alberta	
D571	Vermilion Lakeland Mall	Vicki MacFarlane		Vermilion, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
D572	Lakeland College	D. A. Schmit	President	Vermilion, Alberta	Edmonton
D573	Our Lady's Hospital	Nettie Moric		Vilna, Alberta	
D574	Tru-Weld Grating Ltd.	Glen Brososky		Wetaskiwin, Alberta	
D575	Mary Immaculate Hospital	Administrator		Willingdon, Alberta	Edmonton
D576	Saan Stores Ltd.	Gerry Donnelly		Winnipeg, Manitoba	
D577	Henry Kroeger Regional Water Commission	Evelyn Blagen	Administrator	Youngstown, Alberta	
D578	MacKinnon's General Store	D. MacKinnon		Youngstown, Alberta	
E579		D.A. and Olive Sutherland and family		Oyen, Alberta	
E580	Southrend Colony			Alliance, Alberta	
E581		R. Alex Reed		Athabasca, Alberta	
E582		T. B. Anderson		Buffalo, Alberta	
E583		Gary Callaghan		Buffalo, Alberta	
E584		Joe Kulyk		Buffalo, Alberta	
E585		Michael Kulyk		Buffalo, Alberta	
E586		Russel Kulyk		Buffalo, Alberta	
E587	Byemoor Colony	D. K. Stahl		Byemoor, Alberta	
E588		Chris Goodman		Calgary, Alberta	Edmonton a/o Calgary
E589		Mr. T.J. Kondel		Calgary, Alberta	Calgary a/o Edmonton
E590		Anthony Storcer		Calgary, Alberta	Calgary
E591	Suncrest Colony			Castor, Alberta	
E592		Aaron Baldwin		Castor, Alberta	
E593		Peter S. Waldner		Castor, Alberta	
E594	Hutterian Brethern of Castor	John Waldner		Castor, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
E596		Frankie Adams		Cereal, Alberta	
E597		Neil Caskey		Cereal, Alberta	
E598		Loretta Ellertson		Cereal, Alberta	
E599		Lawrence Hanson		Cereal, Alberta	
E600		Myroslov Kulyk		Cereal, Alberta	
E601		Myron Kulyk		Cereal, Alberta	
E602		D. B. MacDonald		Cereal, Alberta	
E603		T. W. Machell		Cereal, Alberta	
E604		Murdo D. MacKenzie		Cereal, Alberta	
E605		A.D. MacKenzie		Cereal, Alberta	
E606		Walter Melvill		Cereal, Alberta	
E607		Stephen & Shari Muzyka		Cereal, Alberta	
E608		Madeline Nicholls		Cereal, Alberta	
E609		Odean & Barb Olsen		Cereal, Alberta	
E610		Lorne Sutherland		Cereal, Alberta	
E611		Verlin Kading		Cessford, Alberta	
E612		Jerome & Thea Babyn		Drumheller, Alberta	
E613		K. M. Hiebert		Drumheller, Alberta	
E614		Wendy Laughlin		Drumheller, Alberta	
E615		Gerhard Schwarz		Drumheller, Alberta	
E616	Starland Colony	John Stahl		Drumheller, Alberta	
E617	Verdent Valley Colony	Rev. Elias E. S. Wipf		Drumheller, Alberta	Calgary
E618		Chester Bogi		Duchess, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
E619		David G. Hansen		Duchess, Alberta	
E620		Melvin Barnhardt		Eaglesham, Alberta	
E621		Alain Boivin		Eaglesham, Alberta	
E622		Don & Leah Boreen		Eaglesham, Alberta	
E623		Barb Chandonnet		Eaglesham, Alberta	
E624		Raymond Chandonnet		Eaglesham, Alberta	
E625		P. Esper		Eaglesham, Alberta	
E626		Robert Gartly		Eaglesham, Alberta	
E627		Robert Gorgichuk		Eaglesham, Alberta	
E628		Brian Martin		Eaglesham, Alberta	
E629		John H. Morgan		Eaglesham, Alberta	
E630		Vic Patrick		Eaglesham, Alberta	Grande Prairie
E631		Albert Poetker		Eaglesham, Alberta	
E632		Charles Ulland		Eaglesham, Alberta	
E633		John Danyluk and Kate Puchalski		Vilna, Alberta	Edmonton
E634	(Stelco Steel)	C.A. Jager		Edmonton, Alberta	Edmonton
E635	(Stelco Steel)	Mr. W.C. Wordie		Edmonton, Alberta	Edmonton
E636		Jim & Mildred Orr		Elk Point, Alberta	
E637		Margaret & Darrell Hughes		Elnora, Alberta	
E638		Allan Baxter		Empress, Alberta	
E639		Robert N. Booker		Empress, Alberta	
E640		Mr. W. Chudley		Empress, Alberta	
E641		Ms. Audrey Dodd		Empress, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
E642		John Helfrich		Empress, Alberta	
E643		Henry Hensel		Empress, Alberta	
E644		Holly Hern		Empress, Alberta	
E645		Mrs. Katie Hubich		Empress, Alberta	
E646		J. A. Keslanko		Empress, Alberta	
E647		June Leach		Empress, Alberta	
E648		Dorothy Martin		Empress, Alberta	
E649		E. Nickel		Empress, Alberta	
E650		J.L. Shubert		Empress, Alberta	
E651		John Smart		Empress, Alberta	
E652		Mr. and Mrs. E. Steinley		Empress, Alberta	
E653		Iris Steinley		Empress, Alberta	
E654		M. Grace Storey		Empress, Alberta	
E655		Vernon Betts		Grande Cache, Alberta	
E656		J. Carl Closs		Grande Cache, Alberta	Grande Prairie
E657		Steven Cross		Grande Cache, Alberta	Grande Prairie
E658		Sharon Dutchak		Grande Cache, Alberta	Grande Prairie
E659		Diane Fournier		Grande Cache, Alberta	Grande Prairie
E660		Karen Guillemette		Grande Cache, Alberta	Grande Prairie
E661		Lois Guillemette		Grande Cache, Alberta	Grande Prairie
E662		Shelley Hauck		Grande Cache, Alberta	Grande Prairie
E663		H. Kowal		Grande Cache, Alberta	Grande Prairie
E664		Debbie McCann		Grande Cache, Alberta	Grande Prairie

	Organization	Representative or Individual	Title	Address	Hearing Location
E665		Mr. and Mrs.Charles Napier		Grande Cache, Alberta	Grande Prairie
E666		Nick Poohkay		Grande Prairie, Alberta	Grande Prairie
E667		Melvin Verenka		Hairy Hill, Alberta	
E668		Bob Christie		Hanna, Alberta	
E669		Randy Landis		Hanna, Alberta	
E670		Mark Cuthbert		High Prairie, Alberta	
E671		Lyndon & Denise Drefs		High Prairie, Alberta	
E672		Arnold Jones & Family		High Prairie, Alberta	Grande Prairie
E673		Alex Sawchyn		High Prairie, Alberta	
E674		Ila Sawchyn		High Prairie, Alberta	
E675		Reginald Smith		High Prairie, Alberta	Grande Prairie
E677		Vivian D. Torrens		High Prairie, Alberta	Grande Prairie
E678		Joe & Louise Zahacy		High Prairie, Alberta	
E679		Leo E. Raessler		Hondo, Alberta	Calgary
E680	Ridgeland Colony	Joe Hofer		Hussar, Alberta	
E681		Albert Journault		Jasper, Alberta	
E682		Harriet E. Reishus		Kitscoty, Alberta	
E683		G. M. Britton		Lloydminster, Sask/Alta	Edmonton
E684		Norma G. Garrant		Lloydminster, Sask/Alta	
E685		A. L. Henuset		Lloydminster, Sask/Alta	
E686		Dr. F. R. Murray		Lloydminster, Sask/Alta	
E687		Michael Sidoryk		Lloydminster, Sask/Alta	Edmonton
E688		J. Darcy Eddleston		McLaughlin, Alberta	Edmonton

	Organization	Representative or Individual	Title	Address	Hearing Location
E689		Jackson Howard, et al		Munson, Alberta	
E690		Jack Anderson		Oyen, Alberta	
E691		Jerry M. Anderson		Oyen, Alberta	
E692		Ken Ashley		Oyen, Alberta	
E693		D. Bamber		Oyen, Alberta	
E694		Terry Battrum		Oyen, Alberta	Calgary
E695		Peter Bodnaruk		Oyen, Alberta	
E696		Alma Bull		Oyen, Alberta	
E697		Elmer Carlson		Oyen, Alberta	
E698		Verne Caskey		Oyen, Alberta	
E700		Paul H. Dick		Oyen, Alberta	
E701	Acadian Hutterian Brethren	Paul J. Entz		Oyen, Alberta	
E702		Norman W. Evens		Oyen, Alberta	
E703		Ed Fischbuch		Oyen, Alberta	
E704		J. L. Gilbertson		Oyen, Alberta	
E705		Don Gummo		Oyen, Alberta	
E706		Imogene Hauck		Oyen, Alberta	
E707		Neil Hoffman		Oyen, Alberta	
E708		Lawrence Hogan		Oyen, Alberta	
E709		William Hogan		Oyen, Alberta	
E710	Gayle Tye Family	Gordon Johnsen		Oyen, Alberta	
E711		Vernon R. and Helen Johnston		Oyen, Alberta	
E712		Vivian R. Johnston		Oyen, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
E713		Lowell Johnston		Oyen, Alberta	
E714		Loreen Johnston		Oyen, Alberta	
E715		Gerald E. Johnston		Oyen, Alberta	
E716		Doug Jones		Oyen, Alberta	
E717		Glenn Kenny		Oyen, Alberta	
E718		Jean Kulyk		Oyen, Alberta	
E719		Evelyn Kulyk		Oyen, Alberta	
E720		John L. Lawson		Oyen, Alberta	
E721		John F. Levick		Oyen, Alberta	Calgary
E722		Leroy Love		Oyen, Alberta	Calgary
E723		Barb Lowe		Oyen, Alberta	
E724		Rick MacKenzie		Oyen, Alberta	
E725		Kenneth McDonald		Oyen, Alberta	
E726		David McKinstry		Oyen, Alberta	
E727		Norman Peterson		Oyen, Alberta	
E728		John E. Scarff		Oyen, Alberta	
E729		E. Glen Shantz		Oyen, Alberta	Calgary
E730		Lyle Siegel		Oyen, Alberta	
E731		Dave Smale		Oyen, Alberta	
E732		Jim Snell		Oyen, Alberta	
E733		Bill Soepboer		Oyen, Alberta	
E374		George Stammers		Oyen, Alberta	
E735		Olive Sutherland		Oyen, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
E736		I. Sutherland		Oyen, Alberta	
E737		Cameron Sutherland		Oyen, Alberta	
E739		Graham Svatos		Oyen, Alberta	
E740		Gerald Tomkins		Oyen, Alberta	
E741		Thurston Vil		Oyen, Alberta	Calgary
E742		Roman J. Walker		Oyen, Alberta	
E743		F. T. Walker		Oyen, Alberta	
E744		Doris Walker		Oyen, Alberta	
E745		Joyce Westerlund		Oyen, Alberta	
E746		Dianne Westerlund		Oyen, Alberta	
E747		Doug Westerlund		Oyen, Alberta	
E748		Terry K. Westerlund		Oyen, Alberta	
E749		Ruth Wilson		Oyen, Alberta	
E750		Walter & Elaine Wood		Oyen, Alberta	
E751		Gordon Wood		Oyen, Alberta	
E752		Gordon S. Wright		Oyen, Alberta	
E753		R. Wright		Oyen, Alberta	
C754	Paradise Valley & District Ag Society			Paradise Valley, Alberta	
E755		Charles W. Bleakly		Paradise Valley, Alberta	
E756		Wm. D. Block		Paradise Valley, Alberta	
E757		Greg Hickle		Paradise Valley, Alberta	
E758		Neil Hiebert		Paradise Valley, Alberta	
E759		Jack A. Rayson		Paradise Valley, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
E760		Doug Symes		Paradise Valley, Alberta	
E761		Mr. and Mrs. Robert Paquin		Peace River, Alberta	
E762		Doug Thornton		Pincher Creek, Alberta	Lethbridge
E763		Eileen Anderson		Red Deer, Alberta	
E764		Mr. & Mrs. H. Leimert		Red Deer, Alberta	
E765		Mel & Dorothy Lester		Red Deer, Alberta	
E766		Hazel McBride		Red Deer, Alberta	
E767		Doreen A. Rew		Red Deer, Alberta	
E768	Hillview Colony	Jacob M. Hofer		Rosebud, Alberta	
E769		Pat Holowath		Rumsey, Alberta	
E770		Fred Holowath		Rumsey, Alberta	
E771		Chris Jensen		Rumsey, Alberta	
E772		Alex Jensen		Rumsey, Alberta	
E773		Martha Lynn		Rumsey, Alberta	
E774		Greg Mappin		Rumsey, Alberta	
E774		Robert & Audrey Nelson		Rumsey, Alberta	
E776		Gene & Viola Olsen		Sedalia, Alberta	
E777		Jessie Battrum		Sibbald, Alberta	
E778		Murray Huston		Sibbald, Alberta	
E779	Prairie View Colony	Sam Wurz		Sibbald, Alberta	
E780		Susan Moore		Slave Lake, Alberta	Edmonton
E781		Mr. L. R. Klippert		Spedden, Alberta	
E782		Hans Rasmussen		Spedden, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
E783		Regina Rasmussen		Spedden, Alberta	
E784	Red Willow Hutterian Brethren	D. Hofr		Stettler, Alberta	
E785		Colleen Jackson		Stettler, Alberta	
E786		Dwight Stanford		Strathmore, Alberta	Calgary
E787		Jake Stolk		Taber, Alberta	Lethbridge
E788		Rae Erickson		Tangent, Alberta	
E789		Chuck Hopkins		Tangent, Alberta	
E790		Mage Ouellet		Tangent, Alberta	
E791		Debbie Ouellet		Tangent, Alberta	
E792		Arlin Koch		Three Hills, Alberta	
E793		Art Krahn		Three Hills, Alberta	
E794		Fred Penner		Three Hills, Alberta	
E795		Dennis Oster		Torrington, Alberta	
E796		Norman Oster		Torrington, Alberta	
E797		Dave Bachinsky		Two Hills, Alberta	Edmonton
E798		Anton Powley		Vegreville, Alberta	
E799		Keith Lysons		Vermilion, Alberta	
E800	Veteran Colony			Veteran, Alberta	
E801		Lynda Cornelius		Veteran, Alberta	
E802		David Nelson		Veteran, Alberta	
E803		Neil Gorda		Willingdon, Alberta	Edmonton
E804		Willis and Agatha Toma		Willingdon, Alberta	Edmonton
B805	Town of Picture Butte			Picture Butte, Alberta	Lethbridge

	Organization	Representative or Individual	Title	Address	Hearing Location
B806	Municipality of Crowsnest Pass	John Kapalka		Coleman, Alberta	Lethbridge
C807	Southern Alberta Water Management	Donald LeBaron	Chairman	Lethbridge, Alberta	Lethbridge
C808	South Peace Regional Planning Commission	Ken Cossey			Grande Prairie
B809	Grand Council of Treaty 8 First Nations				
D810	Canbra Foods Ltd.	Larry P. McNamara	Pres. & CEO	Lethbridge, Alberta	
B811	M.D. of Clearwater	Brian Irmen	Municipal Manager	Rocky Mountain House, Alberta	
E812		R.W. Elliott		Berwyn, Alberta	
C813	Judah R.E.A. Ltd.	Harold Zimmerman	President	Peace River, Alberta	
C814	Big Country Pork Producers	J. Brian Hoffman	President	Esther, Alberta	
E815		Ken Zahara		Rycroft, Alberta	
E816		Mr. and Mrs. Don Loro		Rosedale, Alberta	
E817		Velma Bookes		Empress, Alberta	
C818	Legion Manor Society	Arlyn Greig	A/Chairperson	Fort McMurray, Alberta	
E819		Aryln Greig		Fort McMurray, Alberta	
E820		L. Sloan		East Coulee, Alberta	
C821	Elnora & District Agricultural Soc.	Denise Roberts	Secretary	Elnora, Alberta	
E822		David McKinstry		Oyen, Alberta	
C823	Ottawa R.E.A.	Kathy Handford	Secretary	Vermilion, Alberta	
C824	Residents of Ashmont Community			Ashmont, Alberta	
C825	Beaverlodge & Dist. Economic Dev. Comm.	Roger L. Jewitt	Chairperson	Beaverlodge, Alberta	
C826	Fort Chipewyan Historical Society	Oliver Glanfield	President	Fort Chipwyan, Alberta	
E827		Vincent Bilson		Drumheller, Alberta	
D828	Canyon Ski Area	Lorraine Martinek	Manager	Red Deer, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
E829		Mr. and Mrs. L. Poland		Drumheller, Alberta	
E830		Arnold Shand		Delia, Alberta	
C831	Munson REA	Tom Rosgen	President	Munson, Alberta	
C832	Stry REA Ltd.	Milton Ash	President		
C833	Donaldson REA	David Hibbs	Chairman	Huxley, Alberta	
C834	Reno R.E.A.	Harry Novak	Sec/Treas.	Peace River, Alberta	
E836		Jeannine Trail MacRae		Empress, Alberta	
C837	Sterling R.E.A. Ltd.	Art S. Bohme	President	Killam, Alberta	
E838		Tom Scarff			
E839		Mr. and Mrs. Arnold McKee		Oyen, Alberta	
E840		Mr. and Mrs. Lorne Graham			
E841		James A. Solberg			Sunnynook, Alberta
E842		Mr. and Mrs. Jack Longmuir		Empress, Alberta	
D843	Grande Cache General Hospital	Del Devnich	Exec. Director	Grande Cache, Alberta	
D844	Flynn's Car & Truck Wash	G.W. Flynn		Hanna, Alberta	
D845	North Fork Farms	John Roelofs		Clyde, Alberta	
E847	Berry Creek Colony	Rev. Darius Stahl		Hanna, Alberta	
E848		Mr. and Mrs. Claude Bouchard		Eaglesham, Alberta	
C849	St. Lina & Dist. Agricultural Soc.	Mylss Iversen		St. Lina, Alberta	
D850	F. Nester Ranching	Les Nester		Cessford, Alberta	
E851		Tom Kempling		Drumheller, Alberta	
E852		Fred & Esther Vickers		Drumheller, Alberta	
E853		Anonymous			

	Organization	Representative or Individual	Title	Address	Hearing Location
D854	Manor Management Ltd.	Richard D. McDonell	CPM	Red Deer, Alberta	
D855	Baymag	Dr.Hagen B. Schultes	President	Calgary, Alberta	
C856	Goodridge Agricultural Society, et al	Madeleine Pratch			
D857	Smoky River Coal Ltd.			Grande Cache, Alberta	
D858	Nelson Lumber Co. Ltd.	B.E. McCook	President	Lloydminster, Alberta	
D859	Grand Cache Forest Industries	Doug Sloan	Site Manager	Grande Cache, Alberta	
D860	Torrington Hotel	George Bulka		Torrington, Alberta	
C861	Martins REA Ltd.	Herman Bauer	President	Vegreville, Alberta	
D862	W. Ralston (Canada) Inc.	Mike Conley		Drumheller, Alberta	
D863	United Oilseed Products Inc.	Jim Isley	Plant Manager	Lloydminster, Alberta	
C864	Mallaig Chamber of Commerce	Edward Amyotte	President	Mallaig, Alberta	
D865	K & A Agro-Supply Centre Ltd.	Aaron Baldwin		Castor, Alberta	
D866	Hanna Health Care Complex	S. Faupel		Hanna, Alberta	
D867	Bonnyville Dental Clinic	Dr. D.H. Skuba		Bonnyville, Alberta	
D868	Morrin Foods Ltd.	Kenneth R. Dawson	Owner	Morrin, Alberta	
D869	MacKenzie Park Inn	Larry Yaworski	General Manager	Fort McMurray, Alberta	
D870	Three Hills Health Care Centre	Brian L. Sather	C.E.O.	Three Hills, Alberta	
D871	Zavisha Sawmill Ltd.				
C872		Roger Charbonneau, et al			
C873	Hiram REA	John Murphy	President	Coronation, Alberta	
E874		Florence Hands		Drumheller, Alberta	
D875	Marmot Basin Ski-Lifts Ltd.	Dave Gibson	General Manager	Jasper, Alberta	
D876	Archer Memorial Hospital	Harold James	Exec. Director	Lamont, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
D877	Fort George Motel	John Yakemchuk		Elk Point, Alberta	
B878	Village of Hairy Hill	Kenneth Nelson	Administrator	Hairy Hill, Alberta	
E880		Les & Cathy Bell			
C881	La Crete REA	C.F. Driedger		La Crete, Alberta	
D882	Bonnyville Forest Nursery	Dan McCurdy	Manager	Bonnyville, Alberta	
D883	Maloney Steel Ltd.	Jim Wolter	Board Chairman	Calgary, Alberta	
D884	Cowley Forest Products Ltd.	M. Sosnowski	General Manager	Cowley, Alberta	
D885	Ellison Milling Company	D.W. Hale	General Manager	Lethbridge, Alberta	
D886	Industrial Assoc. of S. Alberta	Ed Dinan	Chairman	Lethbridge, Alberta	
B887	County of Leduc No. 25	Ray Bolton	Reeve	Nisku, Alberta	
E888		James A. Bolton		Seba Beach, Alberta	
E889		E. Olstad		St. Albert, Alberta	
E890		Lorraine Gaumont		Fort Saskatchewan, Alberta	
D891	Palliser Distillers	Peter Williams	Plant Manager	Lethbridge, Alberta	
D892	Lethbridge Iron Works Co. Ltd.	John R. Davies	Plant Engineer	Lethbridge, Alberta	
B893	City of Leduc	Maurice A. Fitzpatrick	Mayor	Leduc, Alberta	
D894	Kawneer Company Canada Ltd.	Jack Meulenbroek	Plant Engineering Supervisor	Lethbridge, Alberta	
D895	Fleischmann's Yeast Ltd.	John van Wyngaarden	Plant Manager	Calgary, Alberta	
B896	M.D. of Rocky View No. 44	Larry Konschuk	Reeve	Calgary, Alberta	
C897	Ft. McMurray Legion Seniors' Program	E. Gordon	Acting Chair	Fort McMurray, Alberta	
E898		Richard Pepneck		Vauxhall, Alberta	
E899		Ernie Fredine		Didsbury, Alberta	
E900		Philip Cornes		Onoway, Alberta	

	Organization	Representative or Individual	Title	Address	Hearing Location
B901	I.D. No. 22	Lindsey P. Juniper	A/Manager	Peace River, Alberta	
E902		H.W. Jackson		Fahler, Alberta	
E903	Berry Creek Colony	Darius S. Stahl		Hanna, Alberta	
B904	Village of Warner	Dennis Lagler	Mayor	Warner, Alberta	
B905	Village of Radway	John Onyschuk	Mayor	Radway, Alberta	
B906	Village of Andrew	Albert Holubowich	Mun. Administrator	Andrew, Alberta	
D907	Dupont Canada Inc.	Donald W. Evans	Site Accounting Resource	Gibbons, Alberta	
B908	Summer Village of Pelican Narrows	Padey Lapointe	Mun. Administrator	Bonnyville, Alberta	
B909	Village of Glendon	Sharon Wylie	Secretary-Treasurer	Glendon, Alberta	
B910	Long Lake Cree Nation	Luke Zandstra	Financial Controller	Bonnyville, Alberta	
B911	Summer Village of Bonnyville Beach	D. L. Demers	Municipal Secretary	Bonnyville, Alberta	
D912	Basnett Bros. Contruction (H.C.) Ltd.	Karen Basnett	Secretary-Treasurer	Hines Creek, Alberta	
D913	Swan City Recreation Ltd.	R.A. Joberty	Vice-President	Grande Prairie, Alberta	
D914	Lehndorff Property Management Ltd.	Helen A. Rice	Manager, Town Centre Mall	Grande Prairie, Alberta	

Attachment

CORRESPONDENCE BETWEEN ENERGY MINISTER RICK ORMAN AND DR. GOVIER, CHAIRMAN OF THE EEMA REVIEW PANEL, FOLLOWING SUBMISSION OF THE REPORT

September 15, 1992

Dr. George Govier
Govier Consulting Services Ltd.
1507 Cavanaugh Place N.W.
Calgary, Alberta
T2L 0M8

Dear Dr. Govier:

I would like to thank you and the rest of the Panel Members for the Report, "Review of Objectives and Implementation of the Electric Energy Marketing Act." I appreciate the time and effort required to complete the Review in the short time-frame requested.

As you will recall, certain matters raised during the EEMA review were related to the Department of Energy's ongoing Regulatory Review. In particular, I understand that the submissions to the Review Panel of Alberta Power, Edmonton Power and TransAlta made some reference to possible future structures of Alberta's electric industry. Additionally, in response to its discussion paper, "Regulatory Framework for the Electric Power Industry," the Department has now received separate submissions on the subject of industry structure from Alberta Power and TransAlta. Also the City of Edmonton is considering a new structure for Edmonton Power. I enclose material related to these proposals.

I would appreciate it if the Panel could respond to the following question in order to assist the Government in its assessment of the Panel's recommendations:

> "Would the Panel change its recommendation in any substantial way, and if so in what respect, if one of the alternative industry structures proposed by Alberta Power, Edmonton Power, or TransAlta were introduced?"

Please contact me to discuss this further.

Yours truly,

Rick Orman
Minister of Energy

SUMMARY OF ALTERNATIVE ELECTRIC INDUSTRY STRUCTURES

Overview

In the EEMA Review, Alberta Power Limited (APL), TransAlta Utilities (TAU) and Edmonton Power (EP) presented the following possible alternatives to the current structure of Alberta's electric industry:

APL
- integrated planning through a non-profit service company (Servco)
- wholesale purchases by the Servco through contracts and competitive procurement
- equal wholesale rates through the Servco

TAU
- planning on an individual utility basis
- new generation through contracts and competitive procurement by the individual utility
- capping of EEMA transfer payments

EP
- one-system planning continues in its present form
- wholesale purchases by a "transmission company" that is owned by a single entity -- new generation through competitive procurement
- equal wholesale rates through the transmission company

APL and TAU expanded on their alternatives for the structure of Alberta's electric industry in their submissions to the department in response to the discussion paper *Regulatory Framework for the Electric Power Industry*. However, Edmonton Power indicated support for the current structure of the electric industry and did not discuss the transmission company.

The attached matrix from APL's submission effectively compares the alternative structures of Alberta's electric industry.

TAU (Non-Integrated Competition)	APL (Integrated Competition)
Pre-EEMA (Non-Integrated Monopoly)	Status Quo (Integrated Monopoly)

Integrated Competition (APL's proposal)

- The owners of generation and transmission facilities, including independent power producers, would negotiate cost-of-service contracts with the Servco to supply capacity to the grid. New generation would be determined through competitive bidding.

.../2

- A Servco would be responsible for the following:

  - planning future requirements of the system by drafting an integrated resource plan;
  - contracting for the purchase and supply of electricity;
  - coordinating economic dispatch of the system; and,
  - providing a uniform wholesale rate similar to the current cost out of EEMA.

- The distribution functions of the vertically integrated utilities would become wholesale customers of the Servco and purchase electricity at a price similar to the current cost out of EEMA.

- One regulatory board would have responsibility for approving the integrated resource plan, wholesale contracts, upstream costs into the Servco, rates of the investor-owned wholesale customers and the costs of the Servco.

Non-integrated Competition (TAU's Proposal)

- The vertically integrated utilities would remain intact.

- Planning and competitive bidding would be done at the individual utility level.

- Supply arrangements would be contractually linked to markets.

- The costs of future generation and transmission facilities would not be pooled through EEMA.

- Wholesale and retail transmission access would be available to non-utility generators.

- The electric utility regulatory functions of the Energy Resources Conservation Board would be consolidated with the PUB. Regulation would focus on the decisions made by the utilities which make them accountable to their own customers.

Electricity Policy Branch
ALBERTA DEPARTMENT OF ENERGY
September 14, 1992

October 16, 1992

Honourable Rick Orman
Minister of Energy
228 Legislature Building
Edmonton, Alberta

Dear Mr. Orman:

The EEMA Review Panel has now considered and discussed the question raised in your letter of September 15, 1992. The question was:

> "Would the Panel change its recommendations in any substantial way, and if so in what respect, if one of the alternative industry structures proposed by Alberta Power, Edmonton Power or TransAlta were introduced?"

A summary of the Panel's recommendations is enclosed for your reference.

The proposals of the three utilities for changed industry structure were not developed to any degree of detail before the Review Panel or in the submissions to the Department of Energy's Regulatory Review. They were presented only in outline and preliminary form. For this reason, the Panel's understanding of the proposals is quite limited and its response to your question must be qualified accordingly.

Alberta Power's Proposal

The Alberta Power proposal involved the creation of a small service company, or "Servco", owned by the wholesale customers of the industry, which would contract for the purchase and supply of electric energy, coordinate power-pool operations for the province and provide these services to distributing utilities and other wholesale customers at an average wholesale cost. It would, in essence, replace EEMA and do much as EEMA now does but under contractual arrangements.

Recommendations (2), (3), (4), (5), (7), (9) and (10) would remain generally applicable with adjustment only to recognize "Servco" rather than EEMA. Recommendation (1) would no longer apply because EEMA would be replaced, but the concept would remain valid. The Panel would recommend that "Servco", instead of selling at a common wholesale price, establish a system where the wholesale price would vary in a manner similar to that which would result with partial equalization as proposed in Recommendation (1). Recommendation (6) would not apply since EEMA would not exist. Recommendation (8) would be replaced by one that would recommend rescission of the EEMA Act.

Edmonton Power's Proposal

The Edmonton Power proposal involves the establishment by the Government of Alberta of a separate electrical transmission company, or "Transco", which would acquire ownership of the major provincial transmission lines, purchase electric energy from the generating companies and transmit and sell it to the distributing utilities and other wholesale customers at an average cost at the end of transmission. Ultimately, Transco would be privatized under conditions where the generating and distribution companies would not be permitted to own shares. Presumably, Transco would differ from Servco largely in that it would own the major transmission facilities while Servco would not.

The Panel's response is the same as that with respect to Alberta Power's proposal. Recommendations (2), (3), (4), (5), (7), (9) and (10) would remain applicable with the adjustment to recognize Transco rather than EEMA. The concept under recommendation (1) -- partial equalization -- would remain valid and should be implemented with the Transco. Recommendation (6) would not apply since EEMA would not exist and recommendation (8) would be replaced by one that would recommend rescission of the EEMA Act.

TransAlta's Proposal

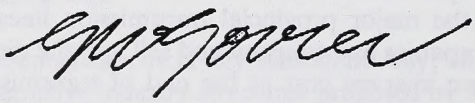
The TransAlta proposal involves the introduction of competitive procurement, the unbundling of transmission services and transmission access for wholesale and retail customers. It would retain EEMA for existing and approved generation and transmission facilities but not for new facilities.

With respect to the existing and approved facilities and the related continued operation of EEMA, none of the Panel's recommendations would change. For new generation and transmission facilities, which under the TransAlta proposal would fall outside EEMA's scope, Recommendations (4), (7) and (9) would remain applicable, while the others would not apply.

General

The Panel's Recommendation (10) for a further review of EEMA, is clearly relevant in the event of any substantive change in the structure of the industry such as reflected in each of the foregoing proposals.

Yours sincerely,



G.W. Govier
For the EEMA Review Panel

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